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THURSDAY, JULY 14, 1949

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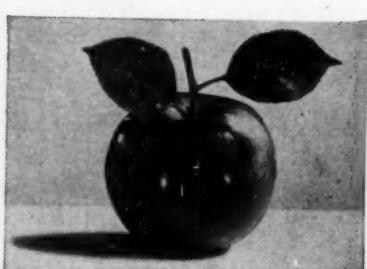
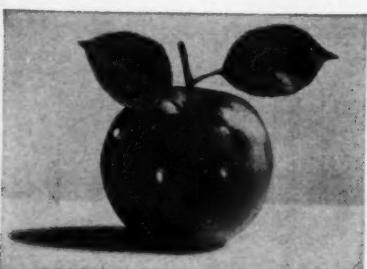
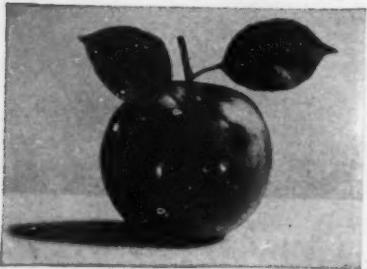
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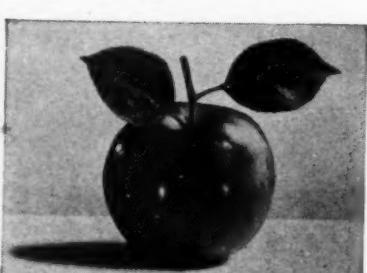
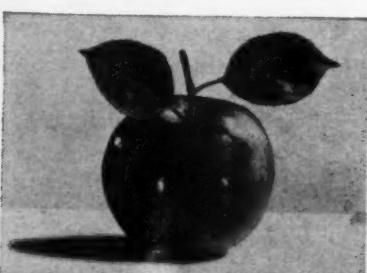
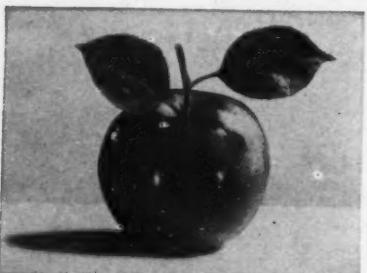
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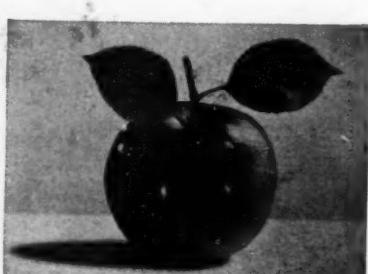
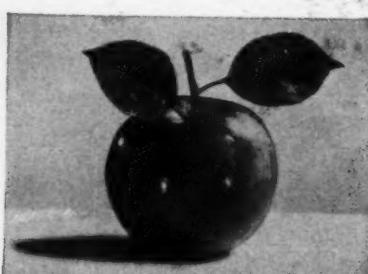
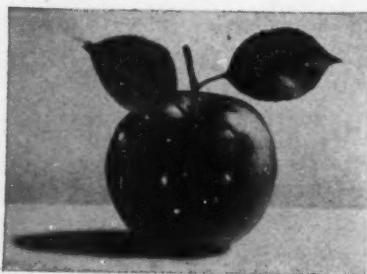
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Find Insurance Parallel in Real Estate Decision

Commission Fixing Held to Be Beyond Reach of Sherman Act

Much significance is found on the part of insurance observers in the decision of Federal Judge Holtzoff at Washington that the fixing of brokerage commissions through agreement by real estate boards is not violative of the Sherman anti-trust act. Judge Holtzoff dismissed a civil suit that was brought by the Justice Department against Washington Real Estate Board and National Assn. of Real Estate Boards and 16 individuals.

There was a directed verdict of acquittal a year ago in connection with a criminal case on the same grounds.

The Justice Department in the civil action requested an injunction against fixing of brokerage fees.

Distinction Is Drawn

Judge Holtzoff expressed the belief that the fixing or prescribing of a standard charge by persons engaged in a particular occupation does not alone and of itself create an unreasonable restraint of trade in violation of the Sherman act. He said that the problem might be different if the rates were shown to be unreasonable or oppressive in themselves, or if it appeared that they resulted in a substantial diminution of competition or otherwise created an unreasonable restraint of trade or commerce. There is no such showing or even contention in this case, the judge declared. The government's position was that the fixing of commission rates was illegal per se, irrespective of whether it was reasonable or laudable.

Judge Holtzoff in supporting his conclusion, cited the decisions of the U. S. Supreme Court in U. S. vs. American Tobacco Co. and Standard Oil vs. U. S. Here the court held that the Sherman act must be construed in the light of reason and that the rule of reason must prevail.

Judge Holtzoff declared that in recent years the Supreme Court has held that price fixing is per se an unreasonable restraint of trade and therefore illegal in and of itself, even under the so-called rule of reason. The cases in which this doctrine has been formulated and enunciated, however, involved prices of commodities and of articles of trade. This principle has never been invoked, so far at any rate, in connection with charges for personal service. There is a vast distinction in principle between fixing the prices of commodities or articles on the one hand and prescribing charges for personal services on the other hand. He cited as significant, a statement in the Clayton act that "the labor of a human being is not a commodity or article of commerce."

Basic Pronouncement

This, he went on, is a very important basic pronouncement. The term "labor" as used in the Clayton act is not limited to the work of manual laborers or of mechanics. It comprises intellectual labor as well. Neither is the term restricted to the work of the poor or the needy. Thus there are labor unions of mechanics, of clerks, of teachers and of airplane pilots. All of these organizations fix wages or salaries to be charged

House Judiciary Probe May Embrace Insurance

WASHINGTON — Whether the insurance industry will be investigated as part of the anti-trust law study by the House Judiciary subcommittee he heads will "depend upon how the companies act" with reference to the investigation of the life insurance industry proposed under the McCarran-Celler resolution, Rep. Celler tells THE NATIONAL UNDERWRITER.

"If they continue in delaying and preventing that resolution passing, by using tactics that are reprehensible," he continued, "I may be compelled to take some action in the present inquiry (anti-trust)."

Celler charged the companies are "sabotaging" the McCarran resolution, which has been making "no progress," he said.

Standing in Own Light

"I think they are standing in their own light," Celler added. "The proposed investigation could be helpful to them."

Celler stated that Senator Gillette, member of the Senate rules subcommittee headed by Senator Green to which the McCarran resolution was referred, had informed him the subcommittee voted to report the resolution favorably. However, Celler said, Green "imposed conditions" involving "more information." At insistence of Senator Ives, New York, Celler said, rules committee Chairman Hayden referred the resolution back to the Senate judiciary committee, which recommended it many weeks ago. At the latter committee, however,

by their members. Such activities have never been held to form violations of the Sherman act per se.

The real estate board, he went on, may in a sense be likened to a labor union of real estate brokers. To contract for one's personal services is a fundamental right of every man. For men to combine to regulate the compensation to be charged by them for their own services is also entirely legal. While this right has been generally recognized in respect to persons who toil for wages or salaries, no reason appears discernible why it is not equally applicable in principle to those persons who work for commissions. The instant case appears to be the first occasion in the history of the enforcement of the Sherman act that the government has challenged this right.

Rates Openly Prescribed

Rates of commissions for brokers' services of various kinds have been openly prescribed by numerous organizations of brokers for a great many years. This activity has never been condemned as violative of the Sherman act, and the government has never so contended prior to this case. On the contrary the result of stabilization of charges, and the consequent uniformity has generally been considered as being in the public interest.

Walter H. Bennett, counsel of National Assn. of Insurance Agents, declared that 3½ years ago in a brief that he prepared on local board rules, he advanced the same basic opinion Judge Holtzoff expressed. Mr. Bennett said that insurance agents are men who labor, possessing all of the attributes laid down in the Clayton act for exemption from the anti-trust laws. It would seem obvious that the same decision would have to be applied to an organization of insurance brokers. There is an exact parallel here between real estate agents and insurance agents, both of whom render personal services, work for commissions and whose remuneration depends on their personal activities.

there is no record of such re-reference. It was stated the rules committee had no authority to referee the resolution back, but only to hold it or report it in some form.

Confusion Is Found

It was reported from a source close to Senator McCarran that, although the Green subcommittee voted unanimously to report the resolution favorably, "apparently" such a report was not submitted to the full rules committee.

The same source stated that McCarran received a letter from Hayden asking what was proposed under the life investigation plan, how the money would be spent, etc. To this, McCarran replied that information had previously been made available to the rules committee.

"What about insurance companies banding together for various purposes?" Celler asked, in a statement outlining the plan of his anti-trust study. "Have they offended against the law? Again, are the present sanctions and penalties in the laws adequate, or should they be closely examined at the subcommittee's hearings, also private and government economists and legal experts?"

Expect Early Clarification of Tenn. Rate Problem

NASHVILLE—Clarification is expected soon of the tangled situation in Tennessee resulting from the order of the department making general fire insurance rate reductions applicable to outstanding policies.

An order is pending in circuit court for a review of the department order and Judge Langston has granted a stay of execution of the order as to cancellation and rewriting of all policies in force when the reduction order became effective July 1. An appeal by the insurance companies represented by Tennessee Inspection Bureau, and unaffiliated companies, represented by Attorneys Robert L. Alexander and John J. Hooker, was filed at the same time the plea for an injunction was asked.

Want Virginia Rule

"What we want is a rule similar to the Virginia rule for handling premium reduction and we have been asking Western Actuarial Bureau, through C. M. Hunt, chairman of our rate committee, for the past five years to give us such a rule," George Goss, secretary-manager of Tennessee Assn. of Insurance Agents, declared. "With no agreed procedure for it, this kind of mess can develop every time we have a rate adjustment. Russell Hobbs, Western Actuarial Bureau, admitted at the original hearing on the reduction that the existing cancellation rule was never intended for a general rate adjustment."

Rain Policy Litigation

Hanford Post No. 5 of American Legion at Cedar Rapids has brought an action to recover \$1,400 from Mercantile under a rain policy. The petition sets forth that this amount was to have been paid in the event there was one-tenth of an inch of rain or more between 4 and 8 p.m. on July 4, 1948, compelling the cancellation of a celebration. The post averred that an observer announced at 5:15 that there had been more than two-tenths of an inch of rain and the celebration was called off. The post alleges that the insurer was to have arranged for a rain gauge reader to be at Hawkeye Downs where the celebration was scheduled but that it failed to do so.

Square Off for Test on Fire Deviation in Pa.

Main Lines Laid: Postpone Till July 25 for More Data by N. A.

By KENNETH O. FORCE

HARRISBURG, PA.—Commissioner Malone postponed to July 25 the hearing on North America's 15% deviation in the rates on certain classes in Philadelphia, Philadelphia suburban and Allegheny county (Pittsburgh). He disapproved the motion of 126 fire insurers, represented by a committee of which J. Victor Herd, vice-president of Continental, is chairman, for suspension of the deviation until completion of the hearing. The hearing was called on complaint of the 126 companies.

The delay was occasioned by failure of North America to produce on subpoena figures and other data asked by the committee. North America charged that it was physically impossible to get the stuff together in the time from serving of the subpoena June 30 till the hearing July 7, which encompassed the July 4 holiday. Besides, it vigorously questioned the relevancy of many of the demands. There were 22 items on the subpoena. At a conference in the late stages of the hearing, between the committee, North America and the commissioner, the requests in the subpoena were somewhat modified.

N. A. Asks for 126 Subpoenas

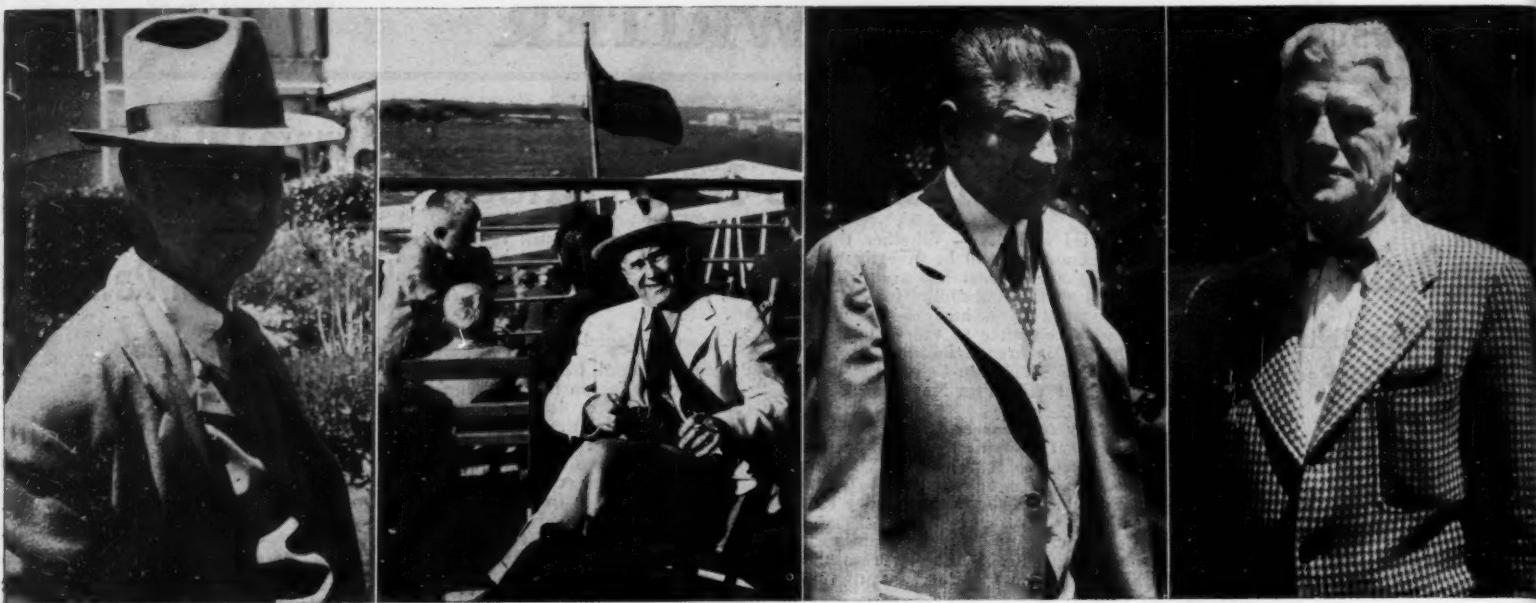
At the same time, North America asked the commissioner for 126 subpoenas, which, it indicated, it intends to serve on each company represented by the committee, in a call for information and statistics, to about the same extent as the demands of the committee on North America. Mr. Malone complied with the request. (He is making a state wide study of rates and experience and presumably could use at least part of the data called for in the subpoenas of both sides in the deviation hearing.)

The hearings scheduled for Monday, Tuesday and Wednesday of this week, on applications for deviations equal to North America's, made by Home, Fire Assn., Phoenix of Hartford and others, were held. It was considered unlikely that Mr. Malone would take action until disposition of the committee challenge to North America.

At the outset of the hearing Mr. Malone denied a motion by North America to dismiss the committee application for the hearing. In that motion counsel for N. A. charged that the application is illegal because insurers in forming the committee and acting through it have violated the Sherman anti-trust act. Insurers were solicited to join in opposing the deviation in a letter that said, among other things, "the greater the number of insurers subscribing to this resolution the more effective our efforts should be." The motion also charged violation of the state insurance unfair practices act, section 2 (d), and emphasized that no one company among the 126 even averred it was an aggrieved party.

Malone Comments on Law

In turning down the motion, Mr. Malone (CONTINUED ON PAGE 31)



OFF DUTY VIEWS OF LEADERS DURING CONVENTION OF INSURANCE COMMISSIONERS AT SEATTLE:
Rollin M. Clark, executive vice-president of Continental Casualty; George W. Haerle, president of C. W. Sexton & Co., Portland, Ore.; Charles A. Loughlin, general counsel of Home, and E. H. Sherman, assistant secretary of General Exchange.

Assay Some Influences of Uniform Accounting

NEW YORK—Executives are watching the effect of regulation 30, and accountants have been able to determine some of the changes that the uniform accounting rules are effecting, as they studied first quarter and five months' figures. Perhaps the most surprising thing about use of regulation 30 is that it has not meant as many changes and differences as accountants and statisticians originally feared it might.

It is difficult to make any general conclusions because of the wide variety of ways in which figures were kept prior to the introduction of uniform accounting rules. The effects in each case are

likely to vary from company to company because previously, the methods and the proportion of charges they resulted in varied so widely.

Auto Department Overcharged

Thus, allocation of expense on a functional or work basis rather than on premiums may disclose, as it did in the case of one group, that the automobile physical damage department had been carrying part of the expense assignable to the fire business. Pro rating expenses by premium, these companies allocated around 58% to fire, but under uniform accounting rules the percentage is 69%. The difference came largely from the automobile business. Under

the old method the latter got 37% of expenses and now gets 26%.

In general, companies get more premiums per dollar of expense on automobile fire than they do for fire. This is due to the fact that a small number of people can handle a large automobile premium volume, compared with fire. There is no mapping or reinsurance, the two expense items that bear heavily on the fire business.

Interesting Results

Although it is too early to determine what the general pattern will be, if this were true to any extent of the industry as a whole, there could be some interesting results, including a few in the field of rating. For example, at least one state permits deviation on the basis of expense saving in automobile physical damage. A more realistic assignment of expenses will certainly have the tendency to cause each line of business to stand up on its own feet and give an account of itself. If companies find that they have not been making as much money on one line as their figures indicated and it is necessary now so to indicate, there may be an appreciable influence on the rate side.

Another influence would be for companies to tackle expenses on lines where they are shown to be out of proportion with figures previously made up on the basis of premiums. This might bring about a revision in proportion of lines mapped, the calling for so many Retail Credit reports, the checking of the fire record in most instances, allowance of installment payment of term premium on every line, and even the amount of the term discount.

Small Premiums

Some light may be focused on small premiums. The suggestion already has been made on the casualty side that an expense factor based on size of risk be inserted into the formula for making rates, so that the small premium policy carry more of its share of expense.

It may also emphasize the need of doing something about the small losses. Here the suggestion has been made that losses of say around \$5 be recorded on the daily report and forgotten, just as returned premiums are handled today. This would obviate applying the lengthy and complicated loss procedure to the great number of losses insignificant in size. A successful deductible program on extended coverage has been hard to get through and probably would meet considerable resistance if applied to fire.

One thing that has helped the fire

business in recent years is the inclusion of extended coverage in the fire policy. Previously several e.c. perils were covered in separate policies. This has helped increase the average premium per day on the fire business. The rise in values also has influenced size. One insurer reports that from 1938 to 1948 the average premium per day increased in one territory from \$15 to \$30, in another from \$16 to \$36, in a third from \$21 to \$44 and in another \$17 to \$27.

Acquisition Percentage

One fear that the accountants had was that the regulation 30 would build up the high acquisition percentage. This does not appear to have happened. One fire insurer found that acquisition accounts for around 30 to 31% of premiums, under the new accounting system. Of this less than four points are expenses aside from commission. These expenses include overhead, field salaries and travelling and advertising plus agents' allowances such as blotters, mapping, inspection, etc. The same items

(CONTINUED ON PAGE 26)

Home Resumes Japanese Operations; Fetes Leaders

The reopening of Home operations in Japan took place June 15 and this was the occasion of a reception to the principal officers of the Japanese insurance fraternity and to the government and local insurance association's official staff. W. F. Provost, supervisor for Japan, and Assistant Casualty Manager E. G. Hitt, Jr., acted as hosts, and Y. Kamei, of the association's Tokyo office, addressed the gathering in Japanese.

Home operated in Japan for 25 years prior to the war, and it, together with Continental, are the first foreign insurance companies to resume business in the country. They are the only foreign insurance companies licensed by the Japanese government in Japan.

Another Salt Lake Blaze

A third general alarm fire in a 10-day period occurred at Salt Lake City. This was due to the explosion of a huge oil tank containing 1½ million gallons of oil at Utah Oil Refinery along North Beck street. The blast probably was caused by exploding vapor. Damage exceeded \$30,000, including the foamite used and oil lost.

A southwest wind kept the flames from spreading to nearby tanks holding millions of gallons of flammable oil, or to the cracking plant, where high octane gasoline is manufactured.

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Since 1905

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Arkansas Seminar Program Aug. 1-5 Is Perfected

LITTLE ROCK—Insurance selling and agency management subjects are emphasized in the program of the University of Arkansas insurance seminar to be held at Fayetteville Aug. 1-5. This is sponsored by the college of business administration and the Arkansas Assn. of Insurance Agents, Arkansas Field Club, and Arkansas Casualty Assn.

Gene Flack, sales counsel and director of advertising for Sunshine Biscuit Co. opens the first session with a lecture on salesmanship and advertising, entitled, "The Time Is Now." Lowell C. Yoder, professor of marketing, at University of Arkansas, will speak on general sales and marketing techniques.

Agency management, office systems and office forms is the subject of discussion for the second day by James Williams, Memphis manager of Remington-Rand, Inc. He will also demonstrate equipment and exhibit motion pictures of various types of office systems.

Earl C. Trefry Scheduled

"Survey Selling" will be analyzed by Earl C. Trefry, assistant superintendent agency department of Employers group, Boston, the third day followed by a discussion of "An Organized Plan For Education" led by Laurence Falls, secretary of Insurance Institute of America. Mr. Falls will also appear the next day to discuss the bank and agent auto plan.

"Insurance For the Insurance Business" is the topic of a lecture to be given by Robert N. Gilmore, Jr., attorney of Assn. of Casualty & Surety Companies. On Aug. 4, Mr. Gilmore will continue his presentation with a discussion "Private Insurance Rates."

"Agency Production Problems" is the subject of Hal A. Guldridge of Highfill, Guldridge & Terry, Dallas.

The seminar will close Aug. 5 after a discussion of "Insurance Agency Organization As A Capital Asset," by Edward L. Wright, attorney of Little Rock. He will analyze the problem of perpetuating the one man agency, the estate value of an agency, and partnership agreements to preserve agency value.

General chairman of the seminar is P. G. Brown, Fort Smith, with George F. Caudle, Fayetteville, as vice-chairman. Association Manager Miles O. Moore, Jr., is general secretary.

Chairman of the program committee is W. R. Smith, Loyalty group, chairman; the other members being Henry A. Ritgerod, L. V. Martin & Co., Little Rock; Swan Sinclair, U.S.F.&G.; Tom Bramhall, Aetna Fire; J. H. Means, Pine Bluff; and E. Grainger Williams, education chairman of the Arkansas Association.

An entertainment program for afternoons and evenings has been planned by a committee, headed by J. Gilbert Leigh, general agent of Little Rock.

Senator Cain Slated

U. S. Senator Harry Cain will fly to Seattle Aug. 29 to address the convention of Washington Assn. of Insurance Agents. He has been a leader in the Senate opposing socialized medicine, and he will speak on that subject and also on unemployment compensation disability insurance through paycheck deductions.

R. H. Rustin Makes Change

Robert H. Rustin, son of Chief Rater Rustin of the Texas fire insurance department, has been named manager of the fire insurance department of Lytle W. Gosling & Co., San Antonio. He was for a time with the Texas insurance department and then was special agent for Glens Falls.

Merge Mich. Wind Mutuals

Reinsurance of Northern Mutual Windstorm of Austin, Mich., by Michigan Mutual Windstorm of Hastings, has been approved by the Michigan department. The Hastings mutual has 12,000 members and a surplus of more than \$3 million.

Ky. W. C. Rates Reduced

Compensation rate reductions totaling \$600,000 for the year beginning July 1 were announced today by Insurance

Director Southall of Kentucky.

The industrial rates were lowered an average of 7.7%. Most Kentucky industries except coal mining share in the benefits. Last January rates for coal mines were reduced with a savings of more than \$400,000.

The Hartford group has appointed Deans & Homer general agents for Twin City for California and Arizona.

F. M. Coleman, of the Coleman & Co. agency of San Antonio, accompanied by Mrs. Coleman, is vacationing in Alaska.

Mo. Preventionists to Have Booth Exhibit at State Fair

Missouri State Fire Prevention Assn.'s state fair committee will have a booth at the Missouri state fair at Sedalia Aug. 21-28.

Members of the fire prevention association are being asked to serve one or two days at the booth.

Alex Frantzen, local agent, has been elected president of Fredericksburg, Tex., Chamber of Commerce.



**Selling R. & O. T. I.
Makes Money For You
and Provides Security for your Clients**

Connecticut Indemnity agents are using two valuable selling helps on Residence and Outside Theft Insurance, and both have the agent's imprint. One is an attractive folder, including a simple application, called "Your Home Is on the Spot". The second is a new, colorful, illustrated letter that tells how broad the coverage is.

Connecticut Indemnity agents need only sign the letters, put both letters and folders in envelopes addressed to prospects, and follow them

up personally or by telephone. This procedure really gets results. We'll gladly send samples of these two mailing pieces to your agency — no cost or obligation.

Security Insurance Companies

HOME OFFICE: NEW HAVEN, CONNECTICUT

Security Insurance Company of New Haven

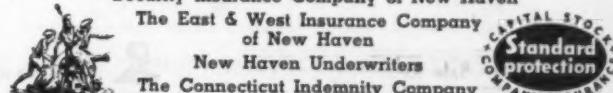
The East & West Insurance Company

of New Haven

New Haven Underwriters

The Connecticut Indemnity Company

1841 — "Security," The Nation's Watchword — 1949



Decision of C.C.C. Is Called Excellent Precedent

Ending of a year's controversy over whether Commodity Credit Corp. was engaging in the insurance business in its loan contracts with tobacco associations has now been announced by Insurance Director Southall of Kentucky. He received a letter from Ralph S. Trigg, Washington president of C.C.C., stating it was "arranging to eliminate all reference to insurance under the 1949 agreement with tobacco associations covering tobacco acquired under our price support operation."

"This means," Mr. Southall said, "that CCC will discontinue charging tobacco co-operatives for insurance on crops mortgaged by them to CCC as security for loans. It has been our contention that this charge constituted an insurance premium."

CCC has loans on tobacco stored in warehouses in Tennessee, Virginia, and North Carolina as well as Kentucky.

The controversy arose in June, 1948 when CCC began placing an additional charge to co-ops, to whom it lent money on tobacco, to indemnify it against loss

by fire or other risks. Arrayed on the one hand was the federal agency, and on the other were the state insurance division, Kentucky Assn. of Insurance Agents, National Assn. of Insurance Agents, as well as the industry.

Mr. Southall said he desires to commend CCC for the reasonableness of its decision. Both C. P. Thurman, Mr. Southall's predecessor as Kentucky director, and Trigg were commended for their action in this matter by National Assn. of Insurance Commissioners by formal resolution.

Mr. Southall declared the CCC decision is far-reaching and will provide a precedent against further encroachment into the domain of private industry by other federal agencies such as Reconstruction Finance Corp. and Federal Housing Administration.

X. R. Royster, Henderson, who represented Kentucky Assn. of Insurance Agents throughout the negotiations, also expressed his gratitude to the federal agency for "eliminating what we regarded as a very harmful precedent of a mortgagee assuming losses on mortgaged property from insurable hazards for a fee."

Walter Cary, El Dorado, Kan., sold his agency to Bill Kunkle. Mr. Cary is a former president of the El Dorado Board.

Werner Joins Reinsurance Firm of Pritchard & Baird

Edgar C. Werner is joining the Pritchard & Baird firm of reinsurance consultants and intermediaries at New York as vice-president. He has had 20 years of reinsurance experience, having started with Eagle Fire of New Jersey in 1929. In 1942 he was elected vice-president of that company and in 1945 became vice-president of Excess Underwriters from which he is now resigning to join Pritchard & Baird. He was born at Atlanta in 1908 and was educated at Columbia University and New York University.



Edgar C. Werner

Elect at Fredericksburg

FREDERICKSBURG, VA. — Milton B. Graves has been elected president of Fredericksburg Assn. of Insurance Agents. Roger Clarke is vice-president and Beverley S. Roberts, secretary.

Is the Insurance Agency really an Insurance Store?



THE AGENCY'S SHOW-WINDOW

How can the Agent
make his Show-
Window work for him?

The retail merchant uses his show-window to display his wares and thus to attract the public into his store.

Of course, it's a bit difficult for the agent to display the products which he sells. Yet his window, too, can be used to attract the public to his insurance "store."

The one thing everybody is interested in

is himself, so your show-window will be most attractive if what you put into it is of personal interest to the people who look at it.

If, in addition, what you have in the window has a bearing on the insurance business—you have a winning combination. A display of fire extinguishers with an explanation of their use is a sample of something which might interest people and which also relates very closely to insurance.

Whether we are "merchandising" commodities or insurance, our advertising is best when spelled with a "U" and not with an "I."

N. C. Tobacco Rates Cut After First Public Hearing

RALEIGH, N. C.—A reduction in fire insurance rates for tobacco pack and curing barns expected to amount to about \$130,000 a year was approved by Commissioner Cheek after a public hearing, which was the first hearing of its kind ever conducted under a new state law.

The decrease, which amounts to about 30% on curing barn insurance rates and about 50% on pack barns, was proposed by North Carolina Fire Insurance Rating Bureau and no opposition was expressed at the hearing.

The only witness who was heard was Landon C. Hill of Raleigh, manager of the bureau, who said that during the five years from 1944 through 1948 a total of 34 insurers reported premiums of \$1,147,428 on tobacco curing barns and losses of \$337,503, a ratio of 29.41. He said that in 1948 the same companies collected \$180,333 in premiums and paid losses of \$47,971, a ratio of 26.6.

Premiums on pack barns during the 1944-48 period totaled \$1,164,887, and losses amounted to \$218,839, a ratio of 18.78, while in 1948 the premiums were \$153,676 and losses \$40,673, a ratio of 26.46.

"Generally speaking," Mr. Hill said, "both of these classes of insurance have been regarded as highly speculative."

The new rates are \$1.95 on tobacco pack barns of frame construction with a noncombustible roof, compared with the old rate of \$3.90. The new rate for curing barns (for a frame building with noncombustible roof) is \$4.20, compared with the previous rate of \$6.07.

The recent North Carolina legislature adopted a resolution directing the commissioner to investigate rates on tobacco pack barns.

Cullison Again at Helm of Rain & Hail Bureau

J. B. Cullison, Jr., has reassumed on a temporary basis the management of Rain & Hail Insurance Bureau at Chicago following the death in an automobile accident of S. K. Bjornson. Mr. Cullison had been the manager until Jan. 1 since which time he had been operating as consultant for the organization.

To Discuss Legislative Work

The July 21 meeting of Dallas Insurance Agents Assn. will be devoted to a discussion of problems, propositions and pitfalls faced by the legislative committee of Texas Assn. of Insurance Agents, by Arthur G. Randolph, San Antonio, who was first appointed chairman of the legislative committee in 1929 and has been on the committee almost continuously since that time, often as chairman. The meeting will be an executive session for local agents only.



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July 14, 1949

Court Holds Bank Liable on Trust; Bond Value Seen

A decision of interest to sureties because it involves a fiduciary, though one not bonded, was decided by Judge Igoe in the U. S. district court in Chicago, in Margaret DeKorwin, etc., vs. First National Bank of Chicago, etc., et al. Otto Young died in 1906; the assets of the trust he created by will, consisting of cash, securities and commercial Chicago real estate, are valued at from \$35 to \$80 million, and are in the hands of the First National Bank.

The suit, instituted in 1943 on behalf of certain remaindermen under the trust, argued that the devises of Otto Young to his grandchildren constitute vested remainders, and that a successor-trustee of Young's estate had never been authorized to act.

Rights Vested, Transmissible

The court held that the gifts in remainder made by Young in his last will to his grandchildren "are vested estates . . . the share in such testamentary trust estate of any grandchild who dies without issue before the termination of the trust is a transmissible interest, and descends to his heirs, devisees and legatees." The plaintiff as an heir of a grandchild who died intestate is beneficially interested in the estate and entitled to a full and complete accounting of its administration.

More important, the court held the testamentary trust vacant, since First Union and its successor have gone out of existence, and First National Bank with its predecessor, First Union Trust, never were appointed to administer the estate in the manner provided by the will or otherwise.

33-Year Bank Liability

First National Bank is liable for all amounts, if any, which, upon the accounting ordered by the court shall be determined to be due; from its administration of the trust July 17, 1933, to the date of decree; from administration by First Union Trust Feb. 11, 1929, to July 15, 1933, and from the administration of the trust by the First Trust & Savings Bank as trustee March 26, 1916, to Feb. 11, 1929.

The will specifically provided for appointing a successor in trust or a new trustee "by any court of competent jurisdiction," and the court held that a new trustee was never lawfully appointed. Thus the trust is vacant, and First National Bank is acting without authority, a trustee "de son tort," accountable for its administration of the trust and for that of its predecessors since the date of the last accounting in 1916.

The Illinois supreme court in Penn vs. Fogler was quoted: "Where one without authority undertakes to execute the trust, requiring the investment of a fund, he must himself carry all the risks, and make good all the losses, and have none of the profits, and his co-investors are equally liable. A person may become a trustee by construction, by . . . assuming the management of trust property. Such persons are trustees de son tort."

Surcharges for Losses

The plaintiff, the court held, is entitled to have those who administered the trust estate without authorization "surcharged with any and all losses, fees or commissions which they may have deducted from the fund or for which they may have taken credit in their accounts."

It is understood that the liability may be very substantial, possibly millions.

Surety men say that if there had been a corporate surety bond on the trust, the sureties would have insisted on a legal successor before providing bond under terms of the will, and would have insisted on an accounting from time to time during the life of the trust.

If a bank this size can make mistakes this basic and costly, it is evidence that

other trustees, corporate or individual, can be expected to make mistakes from time to time, and it emphasizes the value of corporate sureties on fiduciaries.

Bogert to Be Commander

David C. Bogert, member of the insurance legal firm of Long & Levit, has been nominated for commander of Insurance Post 404 of American Legion at San Francisco. Nominated for 1st vice commander is Winslow G. Hall, Johnson & Higgins; 2nd vice-commander, L. A. Loustau, broker; judge

advocate, Wm. B. Dunn, attorney; finance officer, Claud Hubbard, National Automobile & Casualty; sergeant at arms, Fred Lundh, Martin General Agency; historian, Eric Falconer; chaplain, Rollin Kurtz, broker; service officer, Jay Wright, Earle Wright & Son.

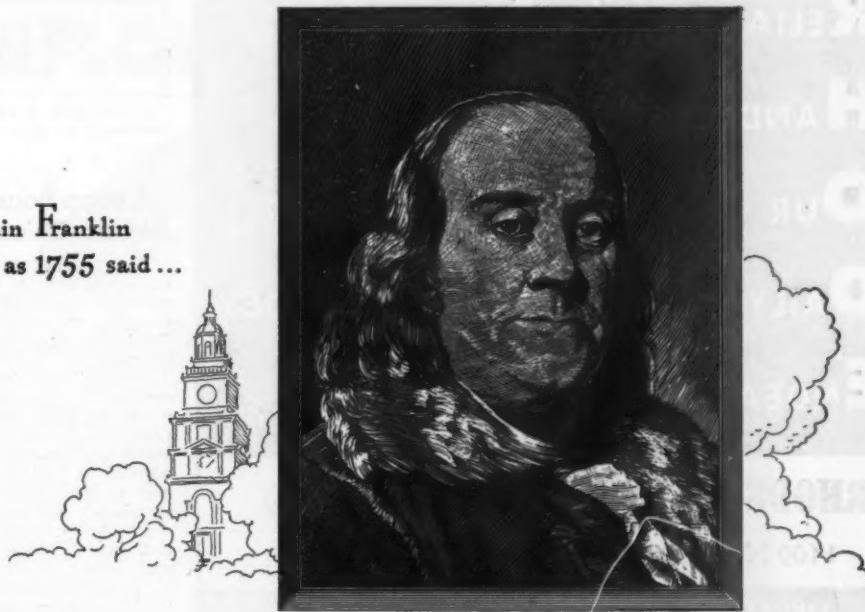
Enters Field for Father

William D. Wells, son of Harold H. Wells of Wells & Co., Indianapolis, general agency, who graduated this year from the Indiana University insurance school, has become a field man for his

father's firm, which is general agent for Standard of New Jersey and American Casualty and state agent in Indiana for other companies. Young Wells, who served in the navy in the South Pacific, has been employed in his father's office for two or three summers. Already he has appointed several agencies where sons who were in the university insurance course with him have returned to go into business with their fathers.

B. M. Culver, chairman of the America Fore group, has been ill for several weeks.

Benjamin Franklin
as early as 1755 said . . .



"They that give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety"

OUT of the fundamental principles set down by the founders of our country has come the miracle of one hundred and fifty million free American people living and working in a land of progress, abundance and opportunity.

Now the time has come to renew our understanding and appreciation of the basic lessons of self-reliance, individual effort and responsibility taught by our forefathers and adopted as the corner stone of the way of life that has made our country great.



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La. and Miss. Ponds Hold Joint Annual Gatherings

More than 100 members and their wives attended a three-day joint annual meeting of the Louisiana and Missis-

sippi Blue Goose ponds at Edgewater Park, Miss. There was a joint session presided over by Austin Reese, head of the Louisiana pond, and R. W. McCosh, his Mississippi counterpart, and five goslings were initiated then. The grand nest was represented by Charles

Beale of Dallas, grand guardian, and the obligation was given by John C. Leissler, Jr., of Dallas, deputy most loyal grand gander at large.

The individual ponds then held their own meetings. Theo Hickey of Godchaux & Mayer was elected most loyal gander of Louisiana pond; Clarkson Brown, Phoenix of Hartford, is supervisor; R. Kirk Moyer, general agent, custodian; W. S. Bizzell, Louisiana Rating Bureau, guardian; P. A. Bienvenu, attorney, keeper, and Edward T. Mazzia, General Adjustment Bureau, wielder.

T. E. Sampson, Home, is the new Mississippi most loyal gander. Edgar Rushing, Hartford Fire, is supervisor; Fountain Barksdale, Mississippi State Rating Bureau, custodian; Bernard Lowe, General Adjustment Bureau, guardian; Sue Bushing, St. Paul F. & M., keeper and Reber McKay, Mississippi State Rating Bureau, wielder.

There was a seafood jamboree, golf tournament and cocktail party and dance.



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July 14, 1949

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Name Gorman Successor

WASHINGTON — Marcus A. Hollabaugh may be named to succeed Manuel Gorman as chief of the special litigation (which includes insurance) section, Department of Justice. Mr. Hollabaugh has been serving as assistant chief of the section for some time. Mr. Gorman has gone with Life Insurance Assn. of America.

Personnel of Insurance Teachers' Committees

The following committee chairmen have been announced by American Assn. of University Teachers of Insurance: Annual meeting program, E. A. Gaumnitz, University of Wisconsin, who is vice-president of the association; collegiate preparation for insurance careers, H. J. Loman, University of Pennsylvania; insurance teaching aids, R. M. Trump, Washington University; research, Past President C. A. Kulp, University of Pennsylvania; membership, H. H. Irwin, Wayne University; nominating, C. A. Kline, University of Pennsylvania; journal, J. E. Hedges, Indiana University; Elizur Wright award, Past President F. G. Dickinson, American Medical Assn.

Dean J. A. Fitzgerald, University of Texas, is president of the association and Prof. Hedges is secretary.

Middlewestern Agents and Company Men Confer

The annual conference of agents association leaders from the middle western states with fire insurance western department executives and Western Actuarial Bureau representatives was held at Chicago Tuesday. Fifteen states were represented, including Arkansas; there were 10 company men on hand and three from W. A. B., including Manager Russell Hobbs. George Carter of Detroit, who originated these conferences many years ago, served as chairman of the meeting.

Rochester Leaders Object to Timing of Rate Changes

Directors of Underwriters Board of Rochester have adopted a resolution complaining of the alleged abruptness of the effect of the recent changes in rates and rules governing extended coverage endorsement No. 4 that were promulgated by New York Fire Insurance Rating Organization. Changes were made applicable to policies with effective date July 1 on all new business and Aug. 1 on renewals. This, according to the resolution, caused an unusual amount of clerical work, confusion, detail and ex-

pense to agents, rating organizations and companies. It was stated that most agents already had written their August renewals and submitted them to the stamping clerk of the rating organization for approval. These renewals have been returned for correction. The resolution states that at least two months' notice of rate or rule changes are necessary in order to handle renewals properly. It was stated that the casualty companies have recognized this situation and have made rule and rate changes in accordance with this principle.

Ferguson Now Head of Middle Department

Herbert Ferguson, special agent at Pittsburgh, has been named manager of the middle department of Potomac. He started with Potomac in 1926. In 1938 he was transferred to Pittsburgh. He is past president of Smoke & Cinder Club.

William Thompson has been named as assistant manager of the Middle Department. He was in charge of the fire department of the Philadelphia

branch where he started with Potomac in 1945. He started in the field in 1922 with State of Pa., with whom he was associated for over 20 years. Following that, he was with Employers Fire.

Mich. Prevention Parley

LANSING, MICH.—Members of the newly formed governor's fire prevention conference met here to plan for a conference in October. Gov. Williams presided, with Michigan Assn. of Insurance Agents playing host at luncheon.

SPRINKLER SUPERVISORY and WATERFLOW ALARM SERVICE



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The remarkable effectiveness of automatic sprinkler systems in minimizing fire losses depends on two important factors: (a) an adequate supply and distribution of water at all times; (b) immediate summoning of fire-fighting forces when the system operates.

These conditions are best assured by means of ADT Central Station Sprinkler Supervisory and Waterflow Alarm Service which maintains constant automatic supervision of shut-off valves and all other components of the sprinkler system controlling the water supply and its distribution.

With this service, the sprinkler equipment functions also as an automatic fire alarm system. When water flows from the sprinkler system an alarm is automatically transmitted to the ADT Central Station to summon the fire department or other protective forces.

Write for details on how ADT Services may be applied to provide better protection at less cost.

In addition to the prompt and efficient handling of alarms, ADT Service includes the following fundamental features, without which there is little assurance that any protective signaling system will function properly when an emergency arises:

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Cal. Agents Lose Anti-Coercion Bill in Final 10 Minutes

In a bulletin to local association officers, H. H. Hendren, Sacramento and Harry Perk, Jr., Los Angeles, co-chairmen of the legislative committee of California Assn. of Insurance Agents make some strong statements regarding the sudden demise of senate bill 1098 at 10 minutes to midnight, July 2. The bulletin starts off:

"Saturday night, July 2, at 10 minutes to midnight, this association lost its anti-coercion bill (SB 1098) by some of the most highhanded tactics ever seen on the floor of a legislative body.

"On Saturday morning members of the assembly began to leave for home as the day wore on. We had the votes to pass senate bill 1098 with a comfortable margin. The automobile dealers and building and loan people, admitting they were licked, called on some high-powered help. They got an ex-member of the assembly to move in the big guns and kill our bill.

"One of the tricks was to delay bringing up our bill until so late that many

of our votes had left for home. Assemblyman Condon was on his feet several times asking to be heard and each time the speaker called up some other matter. Finally at 10:30 p. m., the arguments were made. By that time eight of our certain votes were gone. When the vote was taken we had 35 votes-needed 41. Condon moved a call of the house which froze the situation until he could round up some people who might still be in the capitol. Between this time and 10 minutes to 12, when the final vote was announced, every trick, fair or foul, was used to defeat the bill. One

of those most active in trying to call off Assemblyman Condon was McCollister of Marin County who has had an anti-coercion bill of his own at the last few sessions, but who apparently changed his convictions between 9 p. m., and 11:40 p. m., last Saturday night. (Note: McCollister has been a local agent for many years and was also long an active member in the C.A.I.A., serving on legislative and other committees in the past.)

"The foregoing is full of 'ifs' and, of course, it is a tale of defeat; but the agents of California will never again be taken lightly. We forced the opposition to resort to drastic tactics to beat us. Some of the methods are outlined above, and others are best left unrecorded."

Encouraged by their near-success, California Assn. of Insurance Agents, Insurance Brokers Exchange and Society of Insurance Brokers, plan to carry on their fight from now on until the 1951 session.

There is some hope that the question may be solved by negotiation with the building and loan associations without any more legislation.

The bill that came so near passing is the New York law.

McIver Is Sanford President

Wallace McIver has been elected president of Sanford, N. C., Underwriters Assn., succeeding R. N. Hanner. S. J. Husketh is vice-president, and R. N. Hanner, Jr., secretary

Maus and Smith to High M. & M. Posts

W. D. Maus, formerly vice-president at New York, has been elected as assistant to the president, and Hermon D. Smith, vice-president at Chicago, as executive vice-president of Marsh & McLennan. In their new positions they will assist C. W. Seabury, chairman, and L. S. Kennedy, president, in the administration of M. & M.'s 24 offices located in the U. S. and abroad.

H. D. Smith

Mr. Maus has been with Marsh & McLennan since 1916, starting at Minneapolis office and transferring to New York in 1921. He was elected vice-president in 1930 and director in 1945, and has been active in administrative affairs for many years.

Mr. Smith, who had previously been with Northern Trust Co., went to the Chicago office of Marsh & McLennan in 1928 and has been a vice-president since 1931. He was elected a director in 1944. He has been administrative head of the Chicago and mid-west offices.

"Forbesday" to Highlight Michigan Agents' Rally

Highlight of the annual meeting of Michigan Assn. of Insurance Agents at Grand Rapids, Sept. 26-28, will be "Forbesday." This will be a special tribute to David A. Forbes, Michigan commissioner, who was elected president of National Assn. of Insurance Commissioners at Seattle.

The event will take place on the afternoon of Sept. 27, beginning with a reception sponsored by Michigan companies. This will be followed by a banquet and floor show.

The convention will begin with the executive committee meeting and governor's fire prevention conference on Sept. 26. On the following morning there will be an "agents only" session, and in the afternoon a general convention session covering local board placement of public business. Speaker at this meeting will be Corlett Wilson, Rockford, Ill., local agent, who will talk on personal surveys.

The election will be Wednesday morning. Luncheon speaker will be Charles P. Butler, executive vice-president of the National association, whose subject will be "Commissions."

The Michigan association has reserved the entire Pantlind hotel for the convention.

Cal. Agents to Weigh Installment Program

One of the principal subjects on the agenda for the next series of regional meetings of California Assn. of Insurance Agents starting in August, will be the installment payment plan for fire insurance which has been creating so much discussion the past few weeks.

The matter was placed before the last meeting of the directors by Weldon Oxley of Redding, chairman of the fire and allied lines committee.

There appeared little demand for such a plan among the directors who decided to do nothing until the membership had been canvassed.

In the meanwhile Pacific Board is considering the proposal through its governing committee with action limited to "watchful waiting" probable. Apparently opinion is divided in the Coast territory.

The L. Howard Miller agency at Dayton, O., has been incorporated by L. H. Miller, W. H. Miller and Vivian L. Ulm.



HOW ABOUT YOU—WILL YOU BE "STUCK" IF A CONTRACTOR ASKS:

"Fearful of damaging underground conduits and piping while excavating down the center of a street, I shut down my mechanical equipment and order my men to use hand shovels and picks. Regardless of this precaution, a water main is pierced by a pick. Would I have coverage under my Contractors' Liability policy?"

COULD YOU ANSWER HIS QUESTION?

Nothing impresses a prospect as much as your ability to supply him with a definite answer based upon a knowledge of the fine points of insurance. Your bid for Contractors' Liability business will undoubtedly be successful if you handle this prosperous field confidently and intelligently. To achieve this, the Royal-Liverpool Group offers its agents information and assistance in fully developing this type of business. Write to Advertising Dept. for the latest issue of "True or False."

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July 14, 1949

W. Va. Department Now Has Two Deputy Staff

The West Virginia department is now staffed by two deputies instead of one as in the past, they being Roy Wehrle, who will give special attention to life and A. & H., and Hugh W. Mills, who will be the fire and casualty deputy.

Mr. Wehrle started with George Washington Life at Charleston in 1935 and remained with that company until 1948, except for his period of army service and while attending North Carolina University during 1936 and 1937. At George Washington Life, he served as cashier, agency secretary and director of agencies. For the past several months, he had been West Virginia general agent for Pan American Life and was publicity chairman for the Charleston and West Virginia Life Underwriters Associations.

Mills Was With Auditor

Mr. Mills is an accountant and has been active in state financial affairs. He was with the state auditor's office from 1935 until 1948. Until 1947, the auditor was ex officio insurance commissioner. He was director for the joint legislative committee on government and finance and was clerk for the finance committee

Beverly Board Elects

Beverly (Mass.) Board of Fire Underwriters has elected as president, Leslie Morgan, Beverly; vice-president, Harry W. Purinton, Manchester; secretary, Lester O. Sterling, Beverly; treasurer, Donald W. Nickerson, Beverly.

WANT ADS

EXPERIENCED FIRE ENGINEER

Wanted for specialist position in Home Office of large national insurance company located in central Wisconsin.

College training in fire protection engineering desirable. Field experience with rating bureau desirable.

Write, giving full details regarding education, experience, age and salary requirements. Address V-24. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

POSITION WANTED

by experienced Fire Field Man in either Iowa, Missouri or Kansas. Can furnish best references. Address V-17. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Wanted: Fire Loss Adjuster for work in New York area. Must be thoroughly experienced all lines. Not over 40 years of age. Adequate salary. Excellent opportunity. Applications treated in confidence. Our own employees know of this ad. Send replies to The National Underwriter-ABA, 99 John St., New York 7, N. Y.

WILL BUY

Desirable Chicago insurance business at full value. Address V-3. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AUTOMOBILE UNDERWRITER

needed in Detroit, Michigan, in Home Office of growing organization. If you have automobile casualty and fire and theft experience, are 28-35 and have at least two years college, this is an excellent opportunity. Give full details. Address V-21. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Prominent Fire Group requires High Grade Competent Fieldman for state of Georgia. Excellent opportunity. All replies strictly confidential. Address V-23. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

of the state senate during the last session of the legislature. Otherwise, since leaving the auditor's office, he has practiced as an accountant and has assisted in insurance company examinations. He attended Ohio University at Athens.

sightseeing trip to the mine of Carey Salt Co. and a golf tournament at Sand Dunes Golf Club.

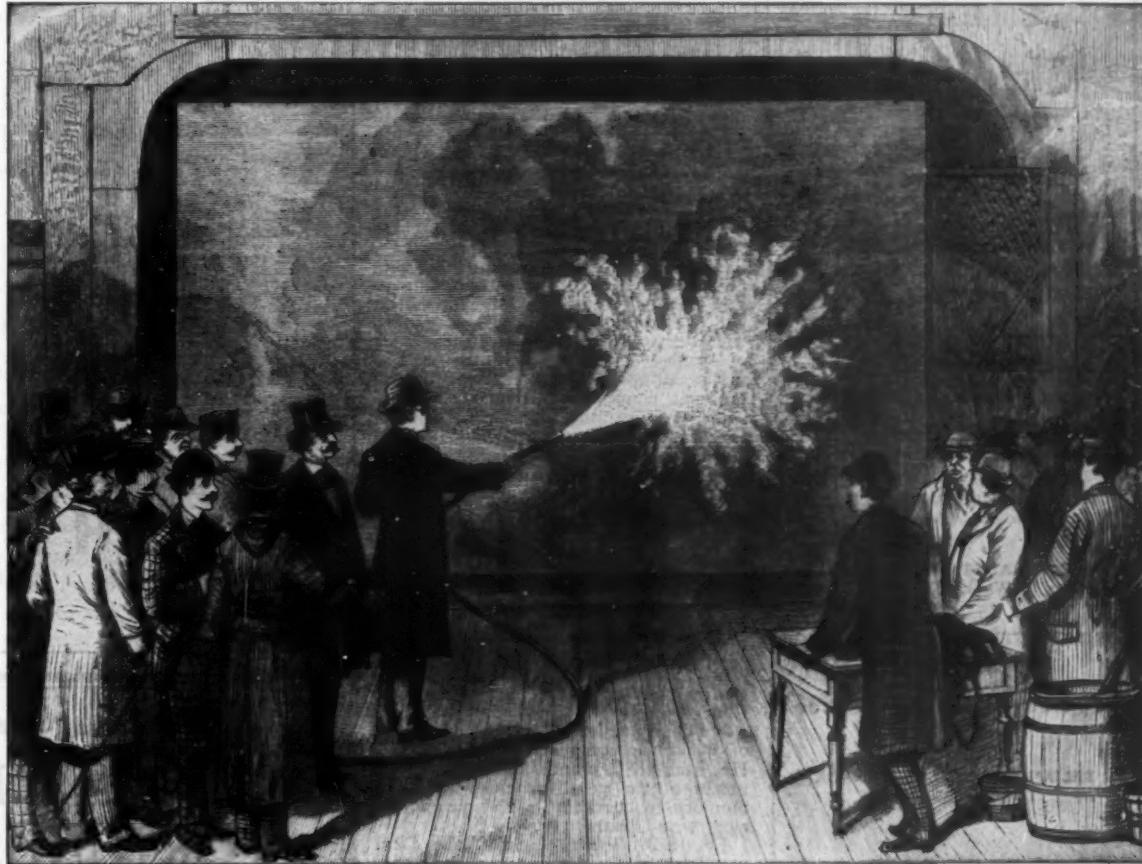
Ogden Initiates Plan

First producers' organization to launch the newspaper advertising campaign which is part of "The Pacific Plan," industrywide public relations program, is Ogden Assn. of Insurance Agents of Ogden, Utah. The series was begun in the Ogden "Standard-Examiner" every other week, with a roster of members of the Ogden association appearing on al-

ternate weeks.

A total of 12 advertisements compose the series intended to create a better understanding on the part of the public of the value of the service of local agents and the benefit to the community of local agents' associations.

Charles W. Ellis, formerly coordinator of Wisconsin state centennial celebration, has formed the Charles W. Ellis Co., local agency, in the Wisconsin Power & Light Co. building, Madison, Wis.



This gentleman is not a termite exterminator. He's Actor Dion Boucicault, demonstrating fireproof scenery at Wallack's Theatre, in 1877. Smart experimenting . . . for he knew that a burned theatre left no place for a job or an audience.

PRINT FROM THE BETTMANN ARCHIVE

NEW IDEAS in loss prevention have been of interest to us since 1853. Progress has been encouraging — but today's losses are greater than ever. We urge all insurance people to cooperate in preventing losses. All of us must convince the public that their vigilance and care will reduce this waste.

Every Type of Property Insurance for Industry and the Home.



THE
PHOENIX-CONNECTICUT
GROUP
of
Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1851

The Connecticut
Fire Insurance Hartford, Conn.
1850

FOUNTAIN
Fire & Marine Insurance Company
Providence, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N.Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

SAN FRANCISCO
120 Montgomery Street

MONTREAL
485 McGill Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

U. S. Insurance Prospects Brighten in Brazilian Field

Reports from insurance men who have worked on the many American insurance accounts in Brazil indicate that American insurance premium expansion continues there. Most recent of the numerous large American firms which have established Brazilian branches is Sears, Roebuck & Co. There are several large American automobile assembly and manufacturing plants in the country and the demand for American goods appears to be insatiable.

Those who have been in Brazil liken it to the United States 50 years ago or more. Vast sections are unsettled, most of the natural resources untapped and many items regarded as necessities in the United States remain to be sold.

The big barrier to Brazil's growth as a market for American enterprise is the lack of dollars in that country. Brazil does not have enough to sell to the U.S. If current efforts to get at the vast oil deposits which geologists figure lie in the interior of the country are successful Brazil would have something to sell us and American sales in Brazil will mushroom, American observers feel.

Only a handful of American insurance companies have been permitted to enter Brazil so far and the Brazilian government continues to demand a large share of reinsurance on every risk written. However, the current party in control in Brazil is moderate politically, less nationalistic and more inclined to allow freedom of action to Americans.

Utah Leaders Conduct Regional Parley at Ogden

Commissioner Terry of Utah was the main speaker at the regional executive committee meeting of Utah Assn. of Insurance Agents at Ogden. The Ogden local board was host to the state executive body at Ogden Golf & Country Club.

Mr. Terry reported on the convention of insurance commissioners at Seattle. He said the commissioners are cognizant of the need for close and harmonious cooperation with companies, agents and brokers.

Frank B. Goeltz of Salt Lake City, president of the Utah association, presided. William J. Blackburn of Ogden, was chairman of the committee on arrangements.

At a social hour William J. Holmes, president of the Ogden local board, was in charge. A banquet was attended by 80 agents and wives.

New officers of the San Francisco Insurance Women's League are: President, Freda Dunbar, state insurance department; vice-president, Carol Terrill, Glens Falls; secretary, Lillian M. McDermott, Maloney & Maritz; treasurer, Hadie Nieland McVey, Phoenix of Hartford.

No Cover on M.M. Loss; Didn't Know It Existed

The worst malicious mischief case on record in New Rochelle, N.Y., resulted in a loss of several thousand dollars to George T. Fraser. When Mr. Fraser and his family returned home from the theater July 1, they found water cascading from the second floor and forming pools of water many feet deep in first floor rooms. Walls, ceilings and furnishings were soaked.

The flood was caused by someone who had propped the Fraser's garden hose in a picket fence, aimed the nozzle at an open second story window and turned the stream on full force. Mr. Fraser told THE NATIONAL UNDERWRITER that he did not have vandalism and malicious mischief coverage. He had a riot and civil commotion endorsement on his policy. "I certainly would have been carrying malicious mischief coverage if I had known such a thing existed," he stated.

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Hartford Fire to Boost Capital to \$16 Million

HARTFORD — Directors of Hartford Fire voted Tuesday to call a special meeting of stockholders Sept. 22 to act on a proposal that capital stock be increased from \$12 million to \$16 million by issuing 400,000 additional shares at par value of \$10. The shares would be paid for by transferring \$4 million from surplus. The additional shares would be issued as a stock dividend, in the ratio of one for each three already held. The record date would be fixed by the directors.

Directors of Hartford A. & I. voted to recommend to stockholders that capital be doubled, from \$5 million to \$10 million, by issuing 500,000 shares at \$10 par. Subscription price would be \$20 a share.

Hartford Fire directors propose to authorize the purchase of this additional stock of Hartford A. & I. The latter would receive \$10 million, half being added to capital and half to surplus.

President Kremer of Hartford Fire says if additional stock is authorized by stockholders, the directors intend to

make the dividend payable Nov. 1 to holders of record Oct. 3. He expressed hope the present dividend rate of \$2.50 can be maintained on old and new shares alike.

W. R. Bunker Joins Father

Owen Bunker, head of the Owen Bunker local agency at Salt Lake City, has been joined by his son, William R. Bunker, as a junior partner. The latter was in the navy five years and for the past year, has been with a Salt Lake appliance store. He attended University of Utah.

G.A.B. Transfers Branch

L. A. Branch, formerly manager for the General Adjustment at Eldorado, Ark., has been appointed assistant to R. B. Bentley, general adjuster at Little Rock. John T. Shelley, previously at Midland, Tex., has been promoted to branch manager at Eldorado, succeeding Mr. Branch.

Highlights

IN INSURANCE HISTORY

RIVER BOATS WERE TOO RISKY

Although inland transportation in America was completely revolutionized by steam, the insuring of river boats remained an unpopular risk with the insurance companies for many years. Even after the traffic of our inland waterways had doubled the amount of our foreign commerce, such risks were considered too hazardous. Fur traders transported goods of great worth through Indian country and over poorly charted streams, and accidents were frequent, especially on the western rivers where the river boat pilots were apt to be more daring than cautious. Consequently the insurance companies were slow to change their practice of insuring only boats, not their cargo.

The National Union and Birmingham greatly appreciate the safety first piloting record of their executives, who have brought the investments and jobs of many people safely through war troubled and economically upset years.



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*"Who steals my purse steals trash . . .
But he that filches from me my good name
Robbs me of that which not enriches him,
And makes me poor indeed."*

Shakespeare said it, and we believe he would have made an outstanding insurance agent. For in insurance the value of a good name cannot be overestimated. There is no easy way to acquire a good name. No amount of money can buy the confidence and good will it inspires. A good name can be earned only by years of consistently sound service and prompt payment of all just claims. In view of Hanover's and Fulton's outstanding record we feel that the Bard of Avon would be the first to pardon us for pointing with pride to our own good name.



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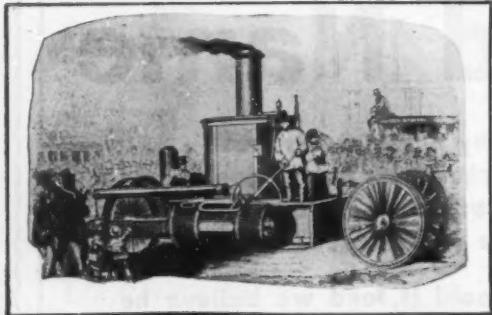
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**PACIFIC COAST DEPT.
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Vote on Fire Alarm System

CHATTANOOGA — Chattanooga voters are being told that failure to vote a \$500,000 bond issue Thursday of this week for a new fire alarm system may

cost the city its class-3 rating. The city has only 132 boxes as against 448 proposed. During a recent month, of 93 calls coming in only five were through fire alarm boxes.



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Time is the deadliest ally of fire. Today's fire perils are swifter and more destructive than ever. They can be defeated only by the high-speed, powerful, versatile fire-fighting equipment now available. Insurance, too, has made rapid strides in the efficiency of its protection. Caledonian agents, for nearly a century and a half, have maintained a proud tradition of providing up-to-date service to their policy-holders.

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Shippers Ask U. S. War Risk Program Be Set Up

National Federation of American Shipping, in an appearance before the Senate appropriations committee, requested Congress to give the maritime commission power to provide full insurance protection to American ships in event of another war. The federation said that London and U. S. insurance markets have advised ship owners that commercial war risk insurance will be canceled in event of certain wartime conditions which may arise at any moment. This has created a condition in world shipping which necessitates steps to "insure adequate protection against war risks to be readily available should the private insurance markets be unable or unwilling to provide war risk insurance on reasonable terms and at reasonable rates."

U. S. maritime commission has authority to issue war risk insurance, but it lacks funds, since the 80th Congress returned the funds to the Treasury. What the ship owners now seek is an interim arrangement until legislation now being drafted by the Treasury, bureau of the budget, maritime commission and the industry can be whipped into shape. It is reported that London and American underwriters were prompted in their warning because of fear of developments in the Chinese war area.

The problem affects not only the 350 maritime commission chartered vessels and 650 ships sold to American operators, but even the 1,100 vessels sold abroad and another 2,000 ships now idle in the reserve fleets.

The shipping federation proposed an amendment to the third deficiency appropriations bill.

NEW YORK

C. N. RYAN IS MANAGER

Charles N. Ryan has been appointed manager of the recently opened New York City department of Industrial Insurance Co. and Security Fire of Iowa. Mr. Ryan has taken over his new post following 20 years of service in the area and previously was with Home.

UNDERWOOD JOINS E.U.A.

Kenneth R. Underwood has been appointed to an executive position with Eastern Underwriters Assn. to replace H. Sumner Stanley, who is becoming assistant general manager of New York Fire Insurance Rating Organization. Mr. Underwood is a graduate of New York University and for the past 10 years has been handling special assignments in New York Fire Insurance Rating Organization. His father is Raymond M. Underwood, assistant U. S. manager of Scottish Union.

Pa. State Units Move

The bureau of rate regulation of the Pennsylvania department, which has been located at 134 South Fourth street, Philadelphia, has been moved to the

main offices at the Harrisburg state capitol. The policy analyzing section has moved to the department's Philadelphia offices in City-Centre building and the principal office of the liquidation division has moved to 1518 Walnut street, Philadelphia.

R. E. Foy Is Promoted

R. E. Foy has been promoted to assistant manager at Los Angeles for the Loyalty group. He has been with the organization since 1930 and most recently has been superintendent of the fire division at Los Angeles.

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July 14, 1949

NEWS OF FIELD MEN

G. D. Horras, Jr., Has Three States for Dubuque

Dubuque Fire & Marine has placed George D. Horras, Jr., in charge of Missouri, Kansas, and Arkansas, with headquarters in a new office in Insurance Exchange Building, Kansas City.

Before entering the navy, where he held the commission of lieutenant commander, Mr. Horras traveled the Missouri field for Crum & Forster. He is a graduate of fire protection engineering course at Illinois Institute of Technology, and worked for several years with Oklahoma Inspection Bureau. Since the war he has been managing the insurance department of the Charles F. Curry Real Estate Co. at Kansas City. He will be assisted by Robert J. Banck, as special agent.

Maxson in Va. for Aetna

James R. Maxson, Jr., has been named special agent in Virginia for the Aetna Fire group. A native of Connecticut, after military service, he graduated from University of Connecticut. He joined Aetna in 1948. He will be associated with State Agent Richard B. Elliott and Special Agent Allen O. Sellars at Richmond.

Brock to Pacific National

Pacific National Fire has appointed James Brock as special agent for central Illinois, with headquarters at Decatur. He was formerly with American as special agent. Prior to that he was auditor for the Chicago Board and underwriter for the New York agency of Flynn, Harrison & Conroy.

W. Va. Committees Named

Committee chairmen of Field Club of West Virginia have been appointed by President Bernard F. Flood, Royal. The committees and their leaders are: Public relations—E. P. Douglass, America Fore; public relations subcommittee, R. B. Apperson, Hartford; speakers bureau, Mr. Flood; subcommittee on local agents and local boards cooperating with

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National Board, H. E. MacShane, Aetna Fire; membership, R. A. Moore, Great American, and fire prevention, Herbert Fahlgren, Camden.

G. J. Dempsey to Oregon

G. J. Dempsey, who has been special agent at Seattle for Crum & Forster, has been transferred to Portland where he will supervise the Oregon field. Mr. Dempsey succeeds Robert B. Taylor, who has become insurance commissioner of Oregon.

Gordon Heads K. C. Branch

Royal E. Gordon, Fidelity & Casualty, has been named agency supervisor of the Kansas City branch. His previous post was that of Kansas special agent for the company.

Moore Springfield Bullfrog

Guy D. Moore, Funkhouser & Moore, is the new bullfrog of the Springfield puddle of Illinois Blue Goose, succeeding

E. F. Conour, North British. John B. Hombledal, Illinois Inspection Bureau, is tadpole, and Ross J. Harmon, Home, is the croaker.

O. H. Sturgeon, Pearl, won the golf tournament and the runner-up was M. B. Olsen, Northwestern National.

Bayley Neb. Pond Head

W. E. Bayley of Hartford Fire was elected most loyal gander of Nebraska Blue Goose at the annual meeting at Omaha. Supervisor is D. R. Wilhoit; custodian, K. L. Hunt; guardian, H. E. Wendt; Western Adjustment; keeper, John A. O'Donovan, North America; wielder, Don E. Logan, Fireman's Fund. Sixteen new members were initiated.

Ill. Outings Held

Champaign (Ill.) County Assn. of Insurance Agents has set Sept. 14 as the date of its golf outing.

Two Illinois local board outings were held Wednesday. Cairo Assn. of Insurance Agents had its picnic at Horse Shoe Lake and Peoria association held its golf outing at Mt. Holly Country Club.

COMPANIES

Capital Increase Effected

The capital of American Universal of Providence has been increased from \$50,000 to \$100,000 and \$30,000 has been added to surplus. New \$10 par value stock was sold at \$16 per share. Head of this company is Maurice H. Saval, a Boston broker specializing in unusual lines, who also is prominently identified with Newfoundland American of St. Johns, N. F.

New Arkansas Insurer

Riverside Ins. Co. is being organized in Arkansas under the auspices of the agency of Rebsamen & East at Little Rock.

Dividends Are Declared

Rhode Island directors have voted to pay the regular 5% semi-annual dividend on the preferred stock, and the regular quarterly dividend of 3c per share on the common.

THE BUSINESS OF FIRE!

Fighting blazing infernos like this one is the *business* of the fireman. Although such dangers are a regular part of his life, his casualty rate is surprisingly low. The point is he calculates his risks and takes precautions.

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NEW YORK, 26 Cliff St.

CINCINNATI, 1423-24 Carew Tower
CHICAGO, 175 W. Jackson Blvd.

Royal Names Kelleher and Hogan to Field Posts

Thomas A. Kelleher has been appointed state agent in Connecticut by Royal-Liverpool, succeeding F. A. Miller, recently named assistant regional manager in Pennsylvania. Special Agent A. D. Akerson will continue as associate field man in Connecticut. Headquarters of both are at 36 Pearl street, Hartford.

Mr. Kelleher joined Royal-Liverpool in 1938. After holding positions in the special service and educational departments he became special agent in Paterson, N. J., in 1940. State agent of Virginia F. & M. in upstate New York in 1943-44, he transferred to New Jersey, his territory since.

John J. Hogan becomes special agent in Rhode Island and southeastern Massachusetts associated with State Agent Arthur P. Hymel at 521 Industrial Trust building, Providence. He joined the group in 1945 after serving with the army air corps. He has been in several

departments in the New York office and recently in Boston as a special agent.

Complaint Chief Named

LANSING — William Flint, former agent and company official, has been named to head a newly created complaint division of the Michigan department.

Mr. Flint recently has been operating an agency at Perry and earlier was with Wolverine of Lansing and later the American States. He started as a partner in the Bonnell & Flint agency at Ionia. He was chosen through civil service. Mrs. Flint, an Owosso teacher, will continue to operate the family's agency at Perry.

Rule on Army Post Solicitation

LINCOLN, NEB.—Unlicensed companies and agents will not be permitted to solicit business at army posts or installations in Nebraska, Bernard Stone, insurance director, says the Secretary of

National Defense has ruled in favor of the department in such matters. Nebraska has concurrent jurisdiction with the government at those installations. When this was called to the attention of federal officials the ruling was issued, Mr. Stone said.

The ruling has been to the attention of other commissioners and they have taken a similar position.

Among the passengers on a Pan American 4-engined strato-cruiser which turned back to Shannon, Ireland, when an engine went out some 600 miles out over the Atlantic, were C. Vincent Starr, president of American International Underwriters, and Paul V. McNutt, counsel and a director of U. S. Life. The passengers returned to Ireland and transferred to other planes and arrived safely in this country. Mr. McNutt said the "very happy outcome was due to an extremely skillful pilot and a calm group of passengers."

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Home Names 5 New Vice-Presidents

Home has advanced Herbert C. Taylor, John W. Morrow, David H. Moore and Felix Hargrett from assistant vice-presidents and secretaries to vice-presidents and secretaries. L. Vaughn Grady, vice-president and secretary of Home Indemnity, was named to the same post with Home.

Mr. Taylor started in 1916 as special agent in Virginia, became assistant secretary, then secretary. He was twice chairman of Virginia Insurance Rating Bureau and once president of Insurance Field Club of Virginia.

Mr. Morrow began in 1923 as ocean cargo underwriter, and in 1930 was named manager of the marine department and then marine secretary.

Mr. Moore is a Chicagoan and joined Home in 1923 as Ohio state agent, became agency superintendent in New York in 1926, secretary in 1941. Mr. Hargrett heads the special risks department. He started in 1925 as special agent, became assistant manager at Philadelphia, assistant manager of the service department at the home office, manager at Washington and then assistant secretary and secretary.

Mr. Grady started with Home Indemnity in 1937 as Chicago manager, and was advanced to assistant secretary and secretary.

Honor Curtis' 40 Years

S. G. Curtis, staff adjuster in the loss department of the North British, was entertained at luncheon by G. L. Scott, secretary and general adjuster, on the occasion of his 40th anniversary with the company. His departmental associates also presented him with a suitable anniversary memento. Mr. Curtis' entire 40 years with North British have been in the loss department.

Now Yerger & Sampson

J. E. Sampson, state agent of Home at Jackson, Miss., has been made manager with Edward Yerger, manager at Jackson. They will operate as Yerger & Sampson.

Mr. Sampson joined Home in 1941 as a staff adjuster and was promoted to special agent in 1944 and to state agent the first of this year.

Opens Detroit Unit

Phoenix of Hartford has opened a Detroit branch in the Penobscot building, under the supervision of Manager W. Kyle Leonard. This office will service the entire state of Michigan, providing complete facilities on all forms of fire, casualty and marine insurance.

R. I. Bowen to Loyalty

Richard I. Bowen, who for the past few years has held a responsible position with the Chicago office of the Illinois insurance department, has become special agent for Cook county for the Loyalty group. For a number of years he was a broker.

Inland Marine School

Twenty-one of National Fire's western department field men participated in a two weeks inland marine course at St. Charles, Ill.

The course was conducted by Superintendent F. B. Rowe and Assistant Superintendent E. E. Humphrey of the western department assisted by Noel M. Pease, home office inland marine special agent.

Mechler to New Post

Scottish Union has named Arthur G. Mechler as special agent in Louisiana and Mississippi. He is a graduate of Tulane. He has had extensive engineering training and following his discharge from the army, he joined Louisiana Rating & Fire Prevention Bureau, later taking up field work.

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Hold Hearing on Home's Pa. Deviation Filing

HARRISBURG — Home estimated policyholders would save about \$300,000 a year if the Pennsylvania commissioner permits it to join North America in reducing rates in excepted territories by 15%.

John Glendening, vice-president and secretary of Home, testified at a hearing in support of the company's deviation filing. He based the request for a rate reduction on a cut in agents' commissions.

Commissioner Malone ruled at the hearing that Home could not put the rates into effect until he approved the deviation. He made the ruling in response to a request by J. Donald Whelan, Home counsel, who pointed out the hearing was held beyond the statutory limit of 30 days after filing.

Hearings are also being held this week on its application for 15% deviations.

Rate Reduction in Mich.

BATTLE CREEK, MICH.—Fire rates have been reduced by Michigan Inspection Bureau in Bedford township, Calhoun county, with the township reclassified from class 10 to class 9, in view of improved protection. P. D. Worgess, local agent, assisted in preparing the township's "case" before the bureau.

Morrison-Ellis Sale

In the June 30 issue it was stated that the L. E. Ellis & Co. Des Moines general agency had purchased the Iowa business of Morrison & Co. of Omaha. This was incorrect. Morrison & Co. has sold the business and plant of the Globe & Rutgers in Iowa to Ellis and Globe & Rutgers has transferred its representation from Morrison & Co. to Ellis as general agents in Iowa.

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CHICAGO

C.P.C.U. COURSES

Those wishing to enroll in the evening division of Illinois Institute of Technology at Chicago this September for courses preparatory to the C.P.C.U. examinations will be required to complete a questionnaire outlining educational and insurance backgrounds. The unprecedented demand for these courses has made this procedure necessary before the applicant is accepted for any of the courses. All applications will be screened by a board composed of the faculty of Illinois Institute.

These questionnaires must be completed by all students, regardless of whether they have previously been enrolled in one of the courses or not. Anyone concerned should write immediately to Professor J. J. Ahern, Illinois Institute of Technology, 33rd and Federal streets, asking him for a questionnaire.

KELLER COMBINES OFFICES

Fred B. Keller & Co., Chicago class 1 agency, has moved to room A-1845, Insurance Exchange building. This move is a consolidation from the two offices formerly maintained in the building.

MEYERS-ENGEL MOVES

The Meyers-Engel Co. agency of Chicago has closed its office in the Insurance Exchange building and moved in with Stewart, Keator, Kessberger & Lederer there. The two firms will henceforward be associated.

The L. H. Arnopolin agency has moved to room A-332, Insurance Exchange building, Chicago.

Reopens at Salt Lake

General Appraisal Co. of Seattle is preparing to reopen offices at Salt Lake City after an absence of 15 years. C. D. Northrup has been appointed sales manager. The office will handle southern Idaho, eastern Nevada, Wyoming, Colorado and Utah.

Moore, Porter Now Partners

M. F. Porter has joined the J. E. Moore adjustment firm of Charlotte, N. C., as a partner and henceforth the business will be operated as J. E. Moore & Co.

Mr. Porter has been engaged in loss adjustment work in North Carolina for nine years.

Mahoney Committee Report Printed

The printed report of the New York state committee on insurance rates and regulation for 1949 is off the press and available from the offices of Senator Walter J. Mahoney, at the state capitol in Albany. A digest of testimony at its hearings and a review of the committee's legislative work and plans for future investigations are contained in the booklet.

Adopt Grain Extension in Ohio

The extension endorsement on grain insurance has been adopted in Ohio. This is the endorsement that is in general use in many states on farm business that permits writing of fire on standing grain on term policies. The endorsement cannot be cancelled unless the entire policy is cancelled.

Higher Rank for J. F. Allen

J. Folger Allen of San Francisco, has been named an assistant vice-president of United Mutual Fire. He has been with United Mutual since 1934.

Arthur J. Anderson, member of the O'Brien, Russel & Co. agency of Boston, has been appointed consul for Sweden in Boston by the Swedish Consul-general at New York City.

Phoenix, Conn., Makes La. Miss. Field Changes

Phoenix of Hartford has transferred Clarkson A. Brown from the Louisiana field to Jackson, Miss., to take charge of the company's new office in that state. He will be succeeded in Louisiana by Garner J. Knoepfle, who has been with the inland marine department at Atlanta. Mr. Knoepfle's new headquarters will be at New Orleans.

Mr. Brown will open his Jackson headquarters in the Standard Life building.

H. L. Davis, Jr., Joins Father

Harry L. Davis, Jr., son of former Governor Davis of Ohio, has been elected secretary of the Harry L. Davis Co. agency of Cleveland. He has returned to Cleveland from New York, having been employed for the past 3½ years in the east for Harris Seybold Co. of Cleveland. Mr. Davis is a graduate

of Western Reserve University and Harvard graduate school of business administration. He is a navy veteran.

Fred J. Pabody, former secretary, was elected vice-president.

Life Field Is Closed

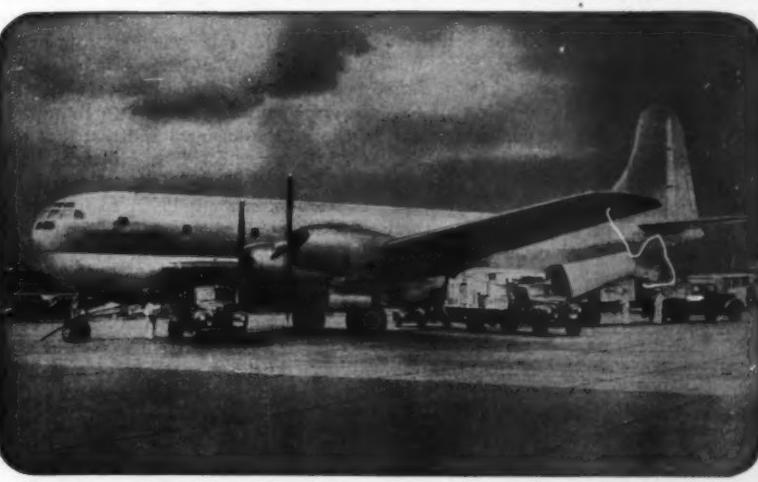
In an opinion that was requested by Educators Mutual of Lancaster, the Pennsylvania justice department has ruled that mutual casualty companies in the A. & H. field are not permitted under the Pennsylvania laws to amend their charters to engage in the life insurance business.

Next Cincinnati Golf Meet

Insurance Golf Club of Cincinnati will hold its next outing at Kenwood Country Club July 19. R. O. Bergman will be chairman of the day.

The July outing was originally scheduled for Clovernook. By an exchange of dates the Aug. 16 outing will be at Clovernook.

Air Cargo Insurance



BOEING STRATOFREIGHTER

WHEN air cargo moves at three miles a minute—and every minute means money—then air cargo insurance service must move at the speed of flight, too.

But, as in aviation itself,—speed and precision in insurance service require years and years of practical experience and a world of knowledge. And a mind open to change!

That is why our policies, which protect shipments everywhere, are not only firmly based on sound insurance principles—but are kept in step with rapidly changing air transportation developments at all times.

Let us aid you in maintaining proper air cargo coverage for your clients.

Wm. H. McGEE & Co., Inc.

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DALLAS—Gilbert Easley, Correspondent

HOUSTON—Charles D. Bailey, Correspondent

EDITORIAL COMMENT

Need to Follow a Straight Line

We may at times overlook the necessity of developing a very keen sense of need to exercise good judgment and note the fitness of what we do and say. We allow ourselves to be led into an error of judgment that may be costly. Men particularly watch what their fellows do and say. Some inadvertence or some

thing out of order may be done that shows a lack of what might be called fineness of judgment and immediately there is strong criticism. Men in business, therefore, need to exercise that refinement and good taste that will keep them free from eccentricities or actions that may develop costly criticism.

Trial in the Press

"We don't want to try the case in the press" is a proper and professional attitude to take when attorneys are seeking to get a decision on issues that involve the law. Yet it must have become obvious in the past five years that the important issues involving insurance are being tried before the public, and that the best and perhaps only way to get a fair hearing for the industry side is through a well informed press.

It is clear that Rep. Celler intends to try his "case" against the life companies in the press at every opportunity. The business thus gets a foretaste of what his "inquiry" will be like. The procedure by which the industry can counteract the broadside criticisms of Mr. Celler already have been well illustrated by the action of two companies in promptly answering those attacks in the same forum where Mr. Celler made them, the press.

These are times in which the industry as a whole is being assailed on many sides, by social programs, governmental ideas, and regulation of various kinds. It cannot afford to be so high class as not to roll up its sleeves and be ready at the drop of a hat to defend itself or strike out a positive blow wherever and whenever its critics launch an attack.

The promptness with which Mutual Life and Equitable Society responded to Mr. Celler meant that those who read Mr. Celler's remarks could remember what the shooting was about when those two companies returned the fire and in so doing did a good turn for the industry.

In these times the fire and casualty business also finds itself on trial before the public rather frequently, and there too it would be helpful if those who make policy decisions recognized the importance of promptly and frequently getting their views before the public.

Of the two publics, that within the industry and the one outside, which the business must reach, the one within the industry, if the smallest, is of peculiar importance. It must be reached and, if it is to exert its influence on behalf of the interests of the business, it needs to be thoroughly and continuously informed. Prejudiced opinions come from the absence of knowledge of the facts, from too little knowledge or incorrect information. The leaders in the business are responsible for seeing that accurate information gets to those who make up the business and that it is correctly interpreted. The evidence shows that they cannot rely on the vast army of workers in the industry to support its objectives simply because it provides them with a livelihood. They should know by now that saying "no" is no answer. That only postpones the day of reckoning and adds to the burden of it.

The industry itself must often be conditioned to the acceptance of new ideas before changes or new ideas can prevail. In this sense, cases "tried" in the press do this conditioning. If there are sound reasons for a change or a new idea, then it can usually prevail, if those reasons are intelligently set forth for the industry to read. The rank and file must be supplied with ammunition.

years. He still resides in the home he built in 1888 and in which all the sons were born.

Robert B. Taylor, who became Oregon's insurance commissioner July 1, is a young man in years but has had over 14 years of practical experience, principally in fire.

Mr. Taylor was born at Des Moines in 1913 and moved to San Francisco in 1927. In 1933 he joined the firm of Colwell, Banker & Co., real estate and insurance organization there.

In 1941, Mr. Taylor joined the Pacific department of Crum & Forster and a year later was transferred to Seattle as special agent. He was returned to San Francisco in 1943 and assigned to the northern California field which he traveled until 1944 when he returned to the northwest as special agent in charge of the Oregon field at Portland.

Since 1944, Mr. Taylor became intensely interested in the work of Oregon Fire Underwriters Assn. He served on numerous committees and was advanced through the various offices until last year when he was elected president. He resigned the latter post at the time he assumed the office of commissioner.

Dudley Giberson, local agent at Alton, Ill., traveled to Concord, N. H., to attend the funeral of his maternal grandfather, Josiah Fernald, who was 93 years old.

Wm. F. Ehret, America Fore state agent at Wichita for the past 15 years who has been transferred to New Mexico with headquarters at Albuquerque, was presented with a set of luggage by Kansas Blue Goose at a luncheon. The Sunflower puddle was host and Big Toad John L. Vorse, Royal-Liverpool made the presentation.

J. G. Hale of the Hale & Hale Company and father of Clayton G. Hale well known Cleveland local agent celebrated his 75th birthday. Mr. Hale is in good health and is still active in the agency. He has been in the insurance business since 1904.

Harold V. Smith, president of Home, accompanied by Mrs. Smith are sailing to Europe on the Queen Elizabeth, Friday. They will travel extensively on the Continent and will return in the fall. While abroad, Mr. Smith will visit branch offices and agencies of American Foreign Insurance Assn. of which he is also the president.

Robert D. Anderson, founder of the Anderson-Guyot agency, Arkansas City, was honored with a 25 year testimonial scroll by Continental at a dinner. William F. Ehret, state agent, Wichita, made the presentation.



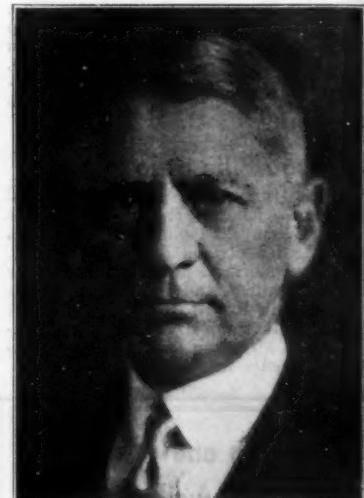
Robert B. Taylor

M. J. Gleason & Co. that was founded by his father, Michael J. Gleason. He had for a number of years been a trustee of Cleveland Insurance Board and held numerous directorships in Carton Service, Inc., Shelby, O., Arcraft Electrotype, Inc., Ashland, O., Allpaper, Inc., Akron, and Art Electrotype Co., Cleveland. He was a graduate of Notre Dame and John Marshall Law School, and he was admitted to the Ohio bar in 1924.

Former Royal Western Executive Dies in Ohio

Henry Lyon Dalton, who retired in 1930 as assistant manager of the old western department of Royal at Chicago, died of a heart ailment at his home at Granville, O., at the age of 79.

Mr. Dalton started with Royal in the old central department at Cincinnati in 1889 and moved to Chicago when the western department was organized in 1895. He held practically every position in the office, including head examiner, from which place he went into the field in 1904 in Iowa and Nebraska. In 1905 he was transferred to Ohio and the next year went to Wisconsin as



HENRY L. DALTON

state agent. He was president of the fire prevention association of that state. He went into the western department in 1917 as underwriting supervisor and in 1920 became second assistant manager. In his last years with Royal he supervised the activities of the claim department.

Mr. Dalton had been spending his winters at New Smyrna, Fla.

Robert J. Needham, 40, an official of Cosgrove & Co. of Los Angeles, died at his home. He was a graduate of Washington University and Missouri School of Mines. He entered insurance at Los Angeles in 1929. He served in the navy for six years.

Theo Herbst, 54, local agent at Algona, Ia., died of a heart attack while attending an insurance meeting at Red Wing, Minn.

George W. Young, Jr., 63, secretary of Inter-State Assurance of Des Moines, died there after an illness of several months. He joined the company in 1914 as underwriter, was elected a director in 1918 and became secretary in

DEATHS

John F. Gleason, 51, Cleveland insurance attorney, died at his home in Shaker Heights, O. He was a long time partner with his brothers, Charles L. and James A., in the insurance firm of

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1939. He had served as secretary of H. & A. Underwriters Conference, in

he took charge of the Camden office of the companies. He was called to the home office in 1934 as supervisor of the eastern department. He was elected assistant secretary of Home in 1942 and secretary in charge of eastern department underwriting in 1947.

Charles D. Deckelman, 74, retired manager of the casualty claims department of Travelers, died at Hartford. He had held the post from 1921 until his retirement.

The four-month-old son of **James H. Merritt**, educational director of Ohio Assn. of Insurance Agents, choked to death during an attack of nausea.

Mrs. H. A. Miller, whose husband is with Western Underwriters Assn., died at Hinsdale, Ill., Sanitarium. She had been an invalid for more than 20 years.

Axel E. Eckberg, 79, vice president of Jamestown Mutual since 1932 and a director since its organization in 1920, died at his home.

Richard Cary, 64, of the Cary-Rice, local agency, Niagara Falls, died. He was a past president of Niagara Falls Insuring Agents Club.

Charles E. Firestone, Sr., an engineer with Ohio Inspection Bureau at Columbus, died.

Harry L. Briggs, 83, retired local agent of Danville, Ky., died at his home there.

Thomas A. Wilson, 73, who retired in 1941 as claim adjuster for State Farm Mutual Auto, died at Lincoln, Neb., after a long illness.

Lew J. McLenegan, former northwest manager of Continental Casualty, died at his home at Butte, Mont. In more recent years, he had been engaged in mining activities and was an organizer of Butte Miners Union. He was a former board member of International Union of Mine, Mill & Smelter Workers.

Grover C. Roane, local agent at Newport News, Va., collapsed on a downtown street at the noon rush hour and died before he reached a hospital.

French Is Claim Chief

Eugene F. French has been appointed manager of the entire claim operations for Fireman's Fund in its southern California department.

Mr. French, who started in the adjusting business in Los Angeles in 1925, joined Fireman's Fund in 1934. In 1943 he was appointed assistant claims manager and in 1948 superintendent of casualty and automobile claims. Under the new arrangement he will also have general supervision over all claims, including marine and fire.

Ed Dowd, superintendent of marine claims, and Warren Martin, superintendent of fire claims, continue in their respective capacities.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, July 11, 1949

	Div.	Bid	Asked
Aetna Casualty	3.00	77	79
Aetna Fire	2.00*	51	52 1/2
Aetna Life	2.50*	53	54 1/2
American Alliance ..	1.10*	23	24
American Auto	1.60	.44	45 1/2
American Casualty ..	.80	11 1/2	12 1/2
American (N. J.) .....	.70	16 1/2	17 1/2
American Surety	2.50	53	55
Boston	2.40	60	62
Camden Fire	1.00	20	21
Continental Casualty ..	2.00	51	52
Fire Association	2.50	57	59
Fireman's Fund	2.60	79	81
Firemen's (N. J.) .....	.50	15 1/2	16 1/2
Glens Falls	2.00*	48 1/2	50 1/2
Globe & Republic .....	.50	9 1/2	10 1/2
Great Amer. Fire	1.30*	33	34
Hanover Fire	1.40	30	31 1/2
Hartford Fire	2.50*	118	120
Home (N. Y.)	1.40	29	30
Ins. Co. of North Am.	3.50*	100	102
Maryland Casualty .....	.50	13 1/2	14 1/2
Mass. Bonding	1.60	25	26 1/2
Merchants Fire, N. Y.	1.15	25 1/2	26 1/2
National Casualty	1.45	23 1/2	25
National Fire	2.00	50	52
New Amsterdam Cas.	1.20	31 1/2	32 1/2
New Hampshire	2.00	43	44 1/2
North River	1.20	24 1/2	25 1/2
Ohio Casualty	1.00	50	51
Phoenix, Conn.	2.00	80	82
Preferred Accident		4 1/2	4 1/2
Prov. Wash.	1.40*	31 1/2	33
St. Paul F. & M.	2.25*	81	83
Security, Conn.	1.40	32	33 1/2
Springfield F. & M.	1.90	42 1/2	44 1/2
Standard Accident	1.45	32	33 1/2
Travelers	22.00	650	660
U. S. F. & G.	2.00	49 1/2	51
U. S. Fire	2.00	60	62

*Includes extras.

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HERE'S WHAT
HAPPENED BEFORE
I TOOK OUT PLATE
GLASS INSURANCE

HERE'S WHAT
HAPPENED AFTER
I TOOK OUT PLATE
GLASS INSURANCE



IT'S A SPLIT DECISION

YOU CAN HELP YOUR PROSPECTS MAKE

- 1 - UNINSURED, I shopped around for hours among jobbers trying to get the lowest price on a replacement.
- 2 - I went without a window over-night.
- 3 - I had to purchase lumber and hire laborers to board up the window until the glass arrived.
- 4 - I could have purchased a plate glass policy and enjoyed the convenience for a lot less than it cost me in time and effort.
- 1 - INSURED, I notified the company and got a window replacement within a few hours.
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- 3 - I was advised an emergency crew would arrive to make temporary accommodations if it was too late in the day for a glass replacement.
- 4 - I got my money's worth . . . and more.

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Wash. Referendum on TDB Law Is Now Assured

Certification Is Given— High Court to Rule on Premium Liability

SEATTLE—Secretary of State Coe has certified that 58,000 signatures had been canvassed and approved, with 16,000 yet to be examined, thus assuring a place on the November, 1950 general election ballot for the referendum on the unemployment compensation disability act passed by the 1949 Washington legislature.

The unprecedented action of certifying the number of valid signatures on a referendum before the entire canvass had been completed (only 30,000 are required to place a measure on the ballot) was a result of a suit brought in Thurston county superior court to clarify employers' liability for deducting 1% from all paychecks commencing July 1, 1949. On July 5 Superior Judge Wilson ruled that the act was made inoperative by the referendum, which obviously had been successful even though the final count was not in. Coe expected to complete the canvass and officially certify the measure for a place on the ballot by July 16.

Purpose of Suit

The suit, which was to be carried to the supreme court probably not later than this week, was to establish clearly the fact that employers are not liable retroactively to July 1 for paycheck deductions in the event the voters should happen to approve the measure in November, 1950. Judge Wilson ruled that the act would become effective 30 days following the election, if the measure carried. The suit was necessary due to the fact that the law itself provides that in the event the employer fails to make the payroll deduction during two successive pay periods that he then personally becomes liable for the 1% premium. The entire premium, otherwise, may be deducted from the workers' paychecks.

The mandamus action was appealed to the supreme court by the attorney general, representing the state department of employment security, which is named as the administrator of the new law.

Observers felt that the supreme court would unquestionably sustain the lower court. In the absence of a suit at this time, it was pointed out, employers would be running the risk of facing a test case following the election, assuming the law were passed, requiring payment for all pay periods dating back to July 1, 1949. A clear-cut rule from the supreme court at this time, it was explained, will obviate such a contingency in the event the law is passed.

Observers were surprised at the extremely high percentage of valid signatures secured. Altogether, there were over 77,000 signatures filed and with 58,000 approved and 16,000 still to go, it was indicated that very few were eliminated as invalid.

Tacoma Agents Hear Dineen

Superintendent Dineen of New York addressed a special meeting of Pierce County Assn. of Insurance Agencies at the Tacoma Club. He spoke on the new TDB law in New York.

O.L.&T. B.I. Rates Up 23% Nationwide Classification Changes Made in N. Y. in April Applied to All States

National Bureau of Casualty Underwriters has announced a revision of bodily injury liability rates on a number of owners', landlords' and tenants' classifications, and several classification and rule changes for this line. The classification and rule changes apply in all states and territories. Revised rates apply countrywide except for Kansas, Kentucky, Louisiana, New York, Vermont, and Wisconsin. In New York revised rates were promulgated on April 4. All the changes are effective July 11, except in Hawaii (Aug. 1) and Texas (Sept. 1).

The classifications for which revised rates apply are those rated on an area or area and frontage basis, including stores, hotels, restaurants, apartments, tenements, boarding or rooming houses, mercantile and office buildings and other risks. Rates for states affected are increased an average of 23% for revised classifications. Experience by classification and territory was available for the first time since the war and therefore the rate changes are not uniform, but reflect as far as possible experience by classification and territory.

Revisions are based on experience for policies written during 1946, reported as of Dec. 1947. The adverse experience is due to the impact of rising costs, particularly those relative to hospital, medical and legal services, and the tendency of verdicts to follow general cost of living increases. It is known that the cost of settling claims has increased considerably since 1946 and 1947, so the rate increases, which are based on losses in those years, are considered by the bureau to be on the conservative side.

N. Y. Changes Now Applied Nationally

In addition to rate revisions, the following changes introduced in New York on April 4, will now apply in the remainder of the country: Classifications for apartment hotels, clubs, hotels and Y.M.C.A.s are amended to provide for separate rating of the product liability hazard both on and off the premises. At present these O. L. & T. classifications include such coverage on the premises. The new rating procedure will be similar to that now used for restaurants and retail drug stores. The rating basis for camps is changed to "per 100 camper days." This basis will reflect the varying hazards depending upon the length of the camp operating season. Lower minimum premiums are provided for camps operated 31 days or less.

Changes now introduced for the first time in New York and all other territories are:

- The minimum premium rule for manufacturers' and contractors' liability is amended to provide that the standard minimum premiums are not cumulative with the premium for O. L. & T., covered under the same policy.
- The minimum premium rule for O. L. & T. is amended to provide that where two or more classifications are insured at the same location, the highest minimum premiums for any such classification shall be the location minimum premiums.
- Definitions of "additional residences" and "additional dwellings (two family)" are amended to apply to such dwellings in addition to any other premises rated under either O. L. & T. or manufacturers' and contractors'.
- New classifications and rates have been established for manufacturers' and contractors' and products liability for dealers and distributors of anhydrous ammonia.

Wilson, McCaffrey, Bowen Are Slated on N.A.I.A. Card

A business development forum will be featured at the Wednesday afternoon session, Sept. 21, of the National Assn. of Insurance Agents convention at Chicago.

Three prominent and successful producers will lead the discussions. "Development of Personal Lines" will be the subject of Corlett T. Wilson, Wilson & Wilson, Rockford, Ill. M. F. McCaffrey, Byrnes & McCaffrey, Detroit, will discuss "Development of Commercial and Industrial Lines" and Harold S. Bowen, Norwalk, O., will conclude the panel with "Promoting the Agency as a Plus Value for Insurance." A discussion period will follow.

L. Allen Beck of Morrison & Morrison, Denver, will be the moderator for this session.

Commenting on this forum, President John C. Stott emphasized that in the sale and marketing of insurance the agents are the recognized authorities and that this feature should be one of the top events of the convention because outstanding producers will reveal such pertinent and important business building ideas as: new methods of prospecting, broadening the sales potentials of individual accounts, and meeting the competition of direct writers.

To Hold Driver Training Institute at Peoria July 25

A teacher training institute in driver education and training will be conducted at Bradley University July 25-29. Sponsors of the course are the Illinois accident prevention committee of Assn. of Casualty & Surety Companies; Illinois state department of public instruction; the traffic safety section of Illinois state police, and Illinois Assn. of Insurance Agents, in cooperation with the center for safety education of New York University. Completion of the course will qualify teachers to conduct student courses in driver education.

Milton D. Kramer, assistant director of the center for safety education of N. Y. U., will be in charge of the course.

This will be a highlight of the driver training program in Illinois for 1949.

Eye New Cal. Benefits

Private insurers writing California UCD business will absorb the new and additional benefits provided in the state law by the legislature allowing an \$8 a day hospital benefit for a limit of 12 days in any one year to employees coming under the compulsory law. There will be no additional premium for this added coverage. Private insurers feel that they have no alternative but to absorb the extra benefit, which they do not believe will be of any serious consequence over a year.

The California law requires a private carrier to give more liberal benefits than that provided by the state fund at the same premium. There are a few of the 45 companies writing the business that gave what is called extraordinary benefits beyond a basis of liberality required. These companies, it is said, may be forced to modify these super-extra benefits in order to absorb the hospital benefit.

General Casualty & Surety has been organized at Atlanta to write fidelity and surety bonds in the southeastern territory.

The officers are: President, Frank A. Angles; vice-president, C. T. Hyre; secretary, J. B. Lenhardt, and treasurer, Horace A. Hixon.

Tex. Board Has Right to Fix Uniform Rate

U. S. Guarantee Loses Deviation Issue in Supreme Court

The Texas supreme court has ruled that the Texas board of insurance commissioners has the power to fix absolute rates on casualty, fidelity, surety and guaranty insurance, upholding the appellate court decision, which had reversed the district court's which said that the board was not authorized to establish a single and uniform rate for each risk. United States Guarantee had sought a declaratory judgment ruling that the senate bill 233 of the 1945 Texas legislature does not prohibit the board from approving different rates for different insurers for the same risk or risks on the various types of insurance covered by the statute.

Emergency Clause Significant

The original senate bill carried an emergency clause reading, "the fact that there is no law enabling the board of insurance commissioners to regulate many of the various lines of casualty, fidelity, surety and guaranty business as to the rates collected therefor in this state, creates an emergency" which justified the suspension of the constitutional rule requiring bills to be read on three separate days. The appellate court ruled that the presence of that emergency clause was evidence that the legislature intended to give the board of insurance commissioners power to regulate rates, and the supreme court added that the power of regulation, unless expressly restricted, included the power to prescribe absolute rates.

Move to Tighten Auto Law of District of Columbia

WASHINGTON—Being drafted by District of Columbia officials is legislation to tighten the district financial responsibility law and bring it into line with the national uniform pattern.

Under the proposal, both parties would be required to submit reports to the local traffic department on an accident involving damage to person or property. A person found potentially liable for damage would have to show financial responsibility through insurance or put up cash or bond. Failure to do so would cause suspension of driver's permit until claims had been met. Presently loss of permit is contingent on failure to pay a judgment.

Charles Mehlman Named Cal. Department Actuary

LOS ANGELES — Commissioner Downey has appointed Charles Mehlman of Denver as chief actuary of the California department, a recently created full-time position. He will assume his duties Sept. 1. He resigns as vice-president and actuary and director of Security Life & Accident. He is a native of Toledo, a graduate of University of Michigan and a member of both the Society of Actuaries and Actuarial Club of the Pacific. The appointment was made on the result of nationwide civil service competitive examination.

Rumor Lloyds Ex Gratia Payment Was \$100,000

Although no official announcement was made as to the amount of the payment made by Lloyds and other British insurers in settlement of passenger liability claims in which a number of Yale students were killed and injured at Seattle Jan. 2, it is reported that the total of all claims paid was in excess of \$100,000.

The insurers made an ex gratia payment in favor of the claimants, even though their attorney conceded that it would have been extremely difficult, if not impossible, to recover under the Washington law for the reason that the owner of the plane, W. F. Leland, lost his life in the crash. Under Washington law, a tort dies with the tort-feasor.

Aetna Gets Canal Bond

LOS ANGELES—Western Contracting Co., Westley, Cal., has been awarded the contract by the U. S. Bureau of Reclamation at its price of \$4,165,764 for construction of earthwork, concrete lining and structures on the Delta-Men-

dota canal, central valley of California project, near Newman. Aetna Casualty, through its Des Moines office, will execute the bond.

Fisher Contracting Co., Phoenix, was low bidder with a price of \$1,335,463.70 when the U. S. Bureau of Reclamation opened bids for the construction of earthwork and structures on the Wellington-Mohawk check and turnout Gila gravity main canal, near Yuma, Ariz. Fidelity & Deposit was on the bid bond.

Schofer-Gordon-Hinman, Hunkin Construction Co., and Conkey Construction Co., Cleveland, as joint venturers were low bidders for construction of the east branch dam Clarion River, Pa., with a price of \$4,887,000. Fidelity & Deposit was on the bid bond.

Issues A. & H. Bibliography

Bureau of A. & H. Underwriters has put out a bibliography of more than 150 books, pamphlets, papers and tables having relation to A. & H. insurance. Many are books or pamphlets published in 1948.

It covers these broad categories: General, underwriting and claims, legal aspects, premiums and reserves, reinsurance, statistics and accounting, sales and agents' training, public relations, regulation, social insurance, and periodicals.

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Soon to Retire



A. C. SUPPLEE

Among the U.S.F.&G. managers soon to retire under the company's pension plan is A. C. Supplee of Pittsburgh. He has been a U.S.F.&G. man 48 years and long has been a Pittsburgh leader.

H. H. Murray, Jr., Tells Stand on Health Program

Reiterating the opposition of his organization to the omnibus health programs now before both houses of Congress, Hugh H. Murray, Jr., of Raleigh, N. C., president of National Assn. of Mutual Insurance Agents, asked the Senate labor subcommittee to abandon these overall plans in favor of providing urgently needed medical personnel and hospital facilities.

In his statement to the subcommittee, Mr. Murray pointed out that leaders of both parties had acknowledged that it was impossible for any of the pending overall programs to be approved.

"However," Mr. Murray said, "no one denies that there is a terrific shortage of medical personnel in the U. S. No one denies that there is a vital need for more hospitals and clinics."

"Democrats and Republicans alike agree on these particular points. Both proponents and opponents of the omnibus measures are in accord on the need for hospitals and doctors. The nation is crying for action on these two phases," Mr. Murray continued. "Therefore," we entreat you to divorce these two things from the cumbersome programs . . . and pass them now . . . at this session . . . without delay."

Mr. Murray voiced the belief that the matter of the "medically indigent" so prominently mentioned in testimony concerning the health plans, could be easily cared for by an amendment to existing social security laws, without adding another top-heavy bureaucracy to the governmental setup, with attendant tax increases which the nation can ill-afford at this time.

Mr. Murray made the same plea to the House interstate and foreign commerce sub-committee.

Auto Reporting Service

Western Underwriters Service Bureau was recently established at 10 Post Office place, Salt Lake City, with H. W. Shurtleff as manager. This is a casualty impairment reporting bureau for automobile and truck insurance covering Utah, Idaho, Colorado and California. The bureau supplies companies and agents data on auto insurance buyers, including such matters as police records, traffic violations, physical impairment, age, and record of cancellation by previous insurers.

U.S.F.&G. Retirement Plan Affects 79 in Home Office and Field

New Managers at Denver, Little Rock, Pittsburgh and Jacksonville

Extensive managerial and home office executive changes are taking place in U. S. F. & G. in conjunction with the compulsory retirement plan that becomes effective Sept. 1. After that date officers and employees attaining age 65 must retire except that the directors have authority of deferment and may request further service for an individual.

Thomas T. Wilson is to become Denver manager, succeeding David Jacobs, who is retiring after 47 years of service. Mr. Jacobs will stay on in an advisory capacity, however, until Jan. 1. Mr. Wilson has been manager at Little Rock since 1937.

At Pittsburgh, George F. Avery becomes manager succeeding Albert C. Supplee, who is retiring after 48 years. Mr. Avery has been assistant manager since 1938. Harvey O. Dodge is retiring as Harrisburg manager after 38 years and is succeeded by Frederick W. Corl, who has been assistant manager there since 1927. Jesse C. Phillips, heretofore claim superintendent at Harrisburg, is promoted to an assistant manager. Joseph Danza remains as assistant manager also.

Kulp Named at Little Rock

The new Little Rock manager is Clifford P. Kulp, who has been assistant manager at Memphis since 1937 and has been with the Memphis office since 1929.

Martin C. Shatzer becomes manager at Jacksonville, succeeding Will Love, who is retiring after 38 years. Mr. Shatzer has been assistant manager at Jacksonville for the past several months.

A total of 79 persons in the home office and field will retire in September.

Among those at the head office that are retiring are Vice-president S. E. Mason, Jr., of the compensation and liability department with 46 years of service and Vice-president John O. Cockey of the statistical department, 30 years. Also retiring are Harry C. McMechen, federal bond department, 49 years; Harry Prevost, A. & H., 45 years and John W. Chesley, burglary claim, 29 years.

Changes in Field

Those in the field to retire are Vice-president B. Conway Taylor of the Baltimore branch with 32 years, and Vice-president William A. Smith of Atlanta with 41 years. Others retiring are William L. Burt, surety underwriter at Boston; William B. Campbell, Minneapolis supervisor; D. Crume Chamberlain, Dallas attorney; Joseph W. Conklin, burglary claim superintendent at New York; E. W. Copeland, surety superintendent, San Francisco.

Also: John E. Cunningham, district engineer, Boston; E. R. Gentry, superintendent of claims, Louisville; George F. Hanrahan, casualty superintendent, Indianapolis; S. Frank Hedges, judicial superintendent, New York and Roy B. Holbrook, supervisor, Raleigh.

Arthur J. W. Hyde, administrative assistant, New York; Frederick H. Livingston, supervisor, New York; Edward J. O'Shaughnessy, trust officer, New York; O. H. O'Toole, judicial underwriter, Boston; John D. Pardee, claim adjuster, Raleigh; Thomas B. Phillips, Harrisburg; L. B. Pinckney, A. & H. underwriter, Boston; F. M. Rossi, claim adjuster, New York and W. B. Shelton, attorney, New York.



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Glens Falls Revises Claim Setup on Coast

Glens Falls Indemnity has made several changes in its claims department on the coast.

Raymond Burton, former claims representative at San Francisco, has been appointed casualty claims supervisor for the coast department.

O. B. Schmitt, who has served as claims representative for many years, has been promoted to manager of the San Francisco metropolitan claims department.

Frederick Van Dorn has been transferred from surety underwriting to the claims department as supervisor of fidelity and surety claims for the coast department.

Three new branch claims offices have been opened. At Salt Lake City, Max Taylor has been appointed manager to handle claims in Utah, Montana and southern Idaho. He was formerly at Los Angeles.

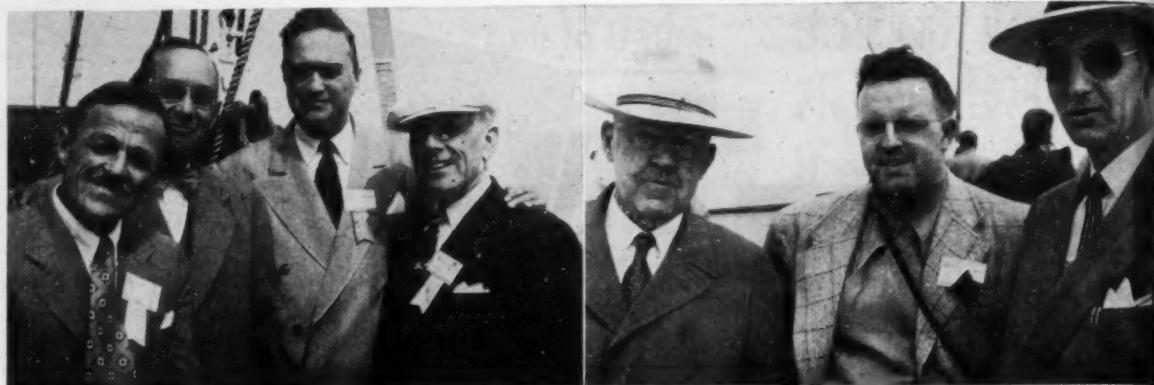
Frank F. Krueger is in charge of the new claims office at Phoenix and will supervise Arizona.

All claims of the Sacramento valley will be handled under the management of Mr. Louis J. Yost, located at Sacramento.

\$18,500 Loss on Russian Driver

Alfred Guthrie, New York City, has won an \$18,500 settlement from the Soviet delegation to the United Nations and one of its chauffeurs. Mr. Guthrie's station wagon was hit by a small bus operated by a chauffeur of the Soviet delegation. His suit originally asked for \$100,000. The State Department said that the chauffeur did not enjoy immunity. U.S.F.&G. handled the settlement.

West American of Los Angeles and Mayflower Inter-Insurance Exchange of Seattle have been admitted to Oregon.



INFORMAL VIEWS DURING N.A.I.C. SEATTLE CONVENTION:

From left : Kenneth Harrison, assistant commissioner of Arkansas; W. S. Smylie, member Mississippi insurance commission; Jack McKenzie, National Board, Little Rock, former Arkansas commissioner, and J. H. Graves, present Arkansas commissioner; Walter Robinson, Ohio insurance superintendent; Harry Perlet, assistant insurance department manager U. S. Chamber of Commerce, and W. H. Sherin, Iowa department.

United Cigar Sues Builders

Aetna Casualty is co-defendant in a \$50,000 damage suit brought by the United Cigar-Whelan Stores Corp. in New York supreme court. The cigar and drug store chain charged that Blizzard-Perman, Inc., a contracting firm, made mistakes in building a store which was one inch out of line. Aetna Casualty bonded the contractor.

F. & D. Men Are Advanced

George C. Foedisch, Jr., has been appointed assistant manager at Pittsburgh, and Nathan P. Stauffer, assistant manager at Philadelphia for Fidelity & Deposit. Mr. Foedisch started in 1941 at Philadelphia as special agent for F. & D. and Mr. Stauffer started in the same capacity there in 1940. They are both war veterans.

How Trial Attorneys Can Help in Public Relations Task

Ways in which trial attorneys can help companies in their efforts to improve industry public relations were outlined by Kenneth P. Grubb, Milwaukee attorney, retiring president of International Assn. of Insurance Counsel, at its recent meeting.

"The new strict form of financial responsibility laws is compelling much of the population to carry automobile liability insurance. Legislation is being urged by which this business would be taken from private enterprise and placed in state funds. While we are aware of the shortcomings of socialistic operations, few of the public are well informed," he stated. "We, as attorneys, must do our part to help prove to the public the fine job that is being done by private enterprise in the insurance business.

"We are representing our clients at a friction line. This line is one of the places where public relations are formed, where public good will or ill will toward insurance is established. Friction occurs between our clients and claimants against them. We are at the point of violent contact," he continued.

Must Explain Actions

"We must bear in mind that often we are dealing in human miseries, misfortunes and tragedies. Most claimants have but one lawsuit in their lifetime. It is very important to them. The lawsuit may be the only contact which the person ever has had with insurance. It is difficult to educate him to the fact that liability insurance is a technical thing, that the right to payment depends upon the law and the facts in the particular case. Claimants often do not understand that reserves are trust funds and that the persons who administer them are not at liberty to pay what each claimant thinks is due him.

"We deal with the crook and the faker, but not all claimants are either crooks or fakers. While we sometimes are fighting the quack in the medical field, and the shyster in the legal field, we are more often exposed to doctors who are honest and sincere and to attorneys who are honorable," he stated.

"It is our duty to defend our clients to the best of our ability with all our vigor, resourcefulness and tenacity. Our opponents should not, and will not, resent a vigorous, honest, fair and tenacious representation of our clients.

Publicity Criticisms

"There are times when we criticize home office publicity, or lack of it, with reference to educating the public about insurance. We feel that, had the sales department done a more frank job in representing the policies to the policyholder, our position would not be as difficult. The man selling an automo-

bile liability policy is often asked by the customer, 'does this policy protect guests in my car?' If he replies, 'sure,' and in Wisconsin adds, 'it even protects your wife,' he has not made our burden any lighter. We are left, after the loss has occurred, with the task of convincing the policyholder, contrary to impressions left by the salesman, that his friends or relatives are not entitled to money, because they are hurt. The policyholder, and sometimes he later turns out to be a juror, has never been told the meaning of the phrase, 'legal liability.' Far too often his idea is that an automobile, or other liability policy, is the same as a life insurance contract, a fire policy, or other insurance covering specific hazards without regard to 'legal liability.' Too frequently he believes that the mere fact that there has been a loss or injuries creates an obligation on the part of the company to pay," Mr. Grubb stated.

"The person who is familiar with payment of losses on these types of insurance, but who has not been educated to the differences and to the meaning of liability insurance, is likely, after a loss has occurred, to conclude that the liability carrier is trying to avoid its obligation, or is trying to stand on a technicality to avoid payment of a loss for which it has taken a premium.

"The insured is entitled to an accurate understanding of the situation. The chances are that he has never read and does not understand his policy. We must make clear to him that the fact that he has liability insurance has no bearing on the question as to whether he is legally liable or as to the extent of any damages. Where the policyholder is claimant, it is all the more important that he understand that the denial is not made upon any technicality but is based upon the relationship of the facts of his situation to the policy provisions. Frequently he has not purchased the kind of protection he wishes he had after the loss has occurred. The policyholder should be advised as to his rights as well as his obligations and the reasons therefor," he asserted.

Help Insured Understand

"The situation should at all times be made clear to him except where there is collusion and where too detailed an explanation would result in the defense being jeopardized.

"Hard cases make bad law. In such situations, trial counsel owe it to the insurer to point out that it would ultimately be bad to press too far in a case when the equities are against it and where bad law may probably be made in an appellate court.

"Trial attorneys are aware of local situations, feeling and problems which cannot be known to home office counsel.

CONTINUED ON PAGE 27

USE YOUR OWN COMPANIES WHEN POSSIBLE

Otherwise Let Us Help You with Your Unusual
or Difficult Problems—



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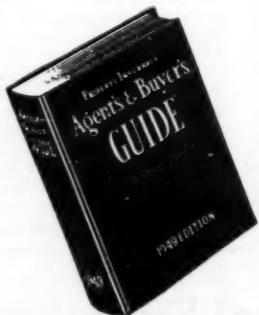
- **POLICY SALES AND SURVEY ANALYZER** — This is a new section in the 1949 Guide for the first time. The Policy Analyzer is a quick reference of points to watch when writing, or examining, policies. Useful when auditing coverages, when making surveys or for checking policies.
- **DEFINITIONS OF COVERAGES** — Concise definitions of 616 fire, casualty and surety lines are in the Agent's and Buyer's Guide. Tells coverage provided, indicates limitations, coinsurance requirements, and other pertinent facts about the line. An explanation of how each line is rated is included.
- **LEADING COURT DECISIONS** — Court decisions of the year are reported to you in this section.
- **RATE LAWS — DEPRECIATION COVERAGE** — State rate laws are synopsized in this section. A REPLACEMENT COST (DEPRECIATION) INSURANCE TABLE shows states in which this coverage is written, how written (by endorsement or otherwise), eligible risks, etc. **SIGNIFICANT DEVELOPMENTS IN COVERAGES** — Important recent developments in forms and contracts.
- **DIRECTORY OF LEADING AGENTS** — This section is an entirely new national directory of leading agents and brokers.
- **NON-RESIDENT COUNTERSIGNATURE AND COMMISSION LAWS** are summarized for quick and easy reference under each state.
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Houston, Texas

—“We received an advance copy of the Guide and I reviewed it with some of our officials. They all expressed a very favorable impression of the book. There are so many uses for this volume that we are all hoping that we can look forward to receiving the Guide annually.”

—H. J. Cozad, Supt. of Agents
Bituminous Casualty Corp.
Rock Island, Ill.

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Minneapolis Dallas Detroit Indianapolis

Des Moines Atlanta Chicago Kansas City

Bureau Subscribers shown by States Under New Law

About 100 Casualty Insurers Use Bureau for Various Lines

Non-member subscribers of the National Bureau of Casualty Underwriters for various states are shown below, with coverage of the lines for which each company subscribes. Lists previous were published in THE NATIONAL UNDERWRITER, Oct. 16, 1947, and May 27, 1948. A number of new editions has been made since the last group was published, though these additions of casualty subscribers are coming in now less frequently, and changes by state also are infrequent. There are approximately 100 casualty companies that are subscribers and about the same thousands number of fire companies.

In the compilation below for casualty group companies, the lines are designed A for auto; B.I. and P.D., including liability and medical payments; E for employers liability and voluntary workmen's compensation; L for all other forms of added personal injury and property damage amount liability, including medical payments, and added collision insurance with standard exceptions; WC (for Illinois only) is for workmen's compensation; W is for residence water damage and explosion; BM is for boiler and machinery, and B for burglary, and G for glass.

ALABAMA—Am. Empl. BM; Am. Mot. BM; Arex Ind. ALWBMBG; Bitum. Cas. AL; Coal Op. Cas. L; Commcl. Stand. ALBG; Consol. Und. AL; Empl. Cas. ALWBMBG; Mut. Ala. ALBG; Empl. Liab. BM; Fac. Mut. Liab. ALB; Gen. Acc. BM; Lumb. Mut. Cas. BM; United Natl. Ind. ALWBMBG.

ALASKA—Pacific Ind. ALWBMBG.

ARIZONA—Am. Empl. BM; Am. Mot.

BM; Arex Ind. ALWBMBG; Commcl. Stand.

ALWBGB; Cons. Und. AL; Empl. Cas.

ALWBMBG; Empl. Liab. BM; Fac. Mut.

Liab. ALB; Hardware Ind. ALBG; Lumb.

Mut. Cas. BM; Natl. Auto. & Cas. ALBG;

Pac. Empl. ALBG; Pac. Ind. ALWBMBG;

Republic Ind. ALBG; United Natl. Ind. ALWBMBG.

ARKANSAS—Am. Empl. BM; Am. Gen.

ALBG; Am. Mot. BM; Arex Ind. ALWBMBG;

Asso. Empl. Lloyds ALBG; Carolina

Cas. AL; Coal. Op. Cas. L; Commcl. Stand.

ALWBMBG; Cons. Und. AL; Empl. Cas.

ALWBMBG; Fid. Mut. Ind. AL; Empl.

Liab. BM; Fac. Mut. Liab. ALB; Gen.

Acc. BM; General ALBG; Highway Ins.

Ind. A; Insurors Ind. & Ins. ALBG;

Lumb. Mut. BM; Mfrs. & Merch. Ind.

AL; Natl. Auto. & Cas. ALBG; Pac.

Empl. ALBG; Trad. & Gen. ALBG; Tri-

State Cas. LBG; United Natl. Ind. ALWBMBG.

CALIFORNIA—Am. Empl. BM; Arex

Ind. ALWBMBG; Calif. Comp. AL; Cons.

Und. AL; Liab. BM; Fac. Mut. Liab.

ALB; General ALBG; Hardware Ind.

ALBG; Mfrs. & Merch. Ind. AL; Natl.

Auto. & Cas. ALBG; Ohio Farm. Ind.

ALB.

COLORADO—Am. Empl. BM; Am. Mot.

BM; Commcl. Stand. ALWBGB; Empl. Cas.

ALWBMBG; Empl. Liab. BM; Pac. Mut.

Liab. ALB; Hardware Ind. ALBG; Hdwre.

Mut. Cas. ALBG; Highway Ins. Und. A;

Houston Fire & Cas. ALBG; Lumb. Mut.

Cas. BM; Mfrs. & Merch. Ind. AL; Natl.

Auto. & Cas. ALBG; Northwestern Natl.

Cas. ALBG; Ohio Farm. Ind. ALBG; Pac.

Empl. PG; Peerless Cas. ALWBMBG;

Public Ind. ALG; Trad. & Gen. ALBG;

Tri-State LBG; United Natl. Ind. ALWBMBG.

CONNECTICUT—Am. Empl. BM; Am.

Mot. BM; Arex Ind. BMBG; Empl. Liab.

BM; Fac. Mut. Liab. ALB; Gen. Acc. BM;

Gen. Tr. C. & S. AL; Lumb. Mut. Cas.

BM; Merch. Ind. ALBG; Peerless Cas.

ALWBMBG; Providence Washington ALBG;

United Natl. Ind. ALWBMBG.

DELAWARE—Am. Empl. BM; Am.

Mot. BM; Empl. Liab. BM; Fac. Mut.

Liab. ALB; Gen. Acc. BM; Gen. Tr.

C. & S. AL; Hdwre. Ind. ALBG; Hdwre.

Mut. Cas. ALBG; Harleysville Mut. Cas.

AL; Lumb. Mut. Cas. BM; Lumber Mut.

Cas. N. Y.; AL; Mfrs. & Merch. Ind. AL;

Pa. Mfrs. Assn. Cas. AL; Peerless Cas.

ALWBMBG; Selected Risks Ind. L; United

Natl. Ind. ALWBMBG; Pac. Empl. ALBG.

DISTRICT OF COLUMBIA—All-Am.

ALWBMBG; Am. Empl. BM; Am. Ind.

ALWBGB; Am. Mot. BM; Arex Ind.

ALBMBG; Coal Op. Cas. L; Commcl.

Stand. ALWBGB; Cons. Und. AL; Empl.

Lab. BM; Fac. Mut. Liab. ALB; Gen.

(CONTINUED ON PAGE 28)

First Tex. Insurer to Enter N. Y. Is a Reciprocal

United Services Automobile Assn. of San Antonio, a reciprocal, is being licensed in New York becoming the first casualty reciprocal exchange in the state. The reciprocal specializes in writing army officers and currently is paying 48% dividends.

United Services was organized in 1922 and wrote \$5,023,435 in premiums in 1948. Brig. Gen. A. C. Ovenshine, retired, is president, and Col. W. F. Jones, retired, is attorney and secretary-treasurer.

This is the first Texas company ever to be licensed in New York and this became possible by the enactment of full multiple line legislation in New York.

Tenn. Law Already Impels 200,000 to Insure

NASHVILLE—Between the date that the 1949 Tennessee legislature passed the auto financial responsibility act and the effective date of the law, July 1, more than 200,000 additional automobile insurance policies were sold and this increase is expected to continue at the rate of about 90,000 a month for the next three months, according to Clyde A. Rice, president of Nashville Insurance Exchange. He estimated that the total of insured cars, as of July 1, was 380,000 out of about 600,000 registered. He expressed the opinion that in two years 90 to 95% of all cars will be insured.

Accident reports filed with the state finance commission numbered 50 for the first two days after the law went into effect.

Big Loss at Bangor, Me.

An insurance loss of approximately \$380,000 will result from the fire that destroyed the property of almost a dozen businesses and industries on the Penobscot River water front at Bangor, Me. The buildings and contents of the following insured were almost wholly destroyed, and in each case the loss is expected to be total to insurance: Stickney & Babcock Coal Co.; Dunham & Hanson Co., wholesale hardware; Bacon & Robinson Co., coal; Hincks Coal Co.; J. F. Woodman, coal; Ridgefield Oil Co., gasoline and oil depot; Coffin & Wimble, wholesale plumbing and appliances; Charles Murray, oil distributor, and the Main Central Transportation Co., a bus garage.

Ridgefield Oil had five large gasoline tanks in the center of the area hit by the fire, and the tanks and gasoline in them were the only things not damaged by the flames. They were above ground, protected by a 16-foot concrete wall.

There will be about \$5,000 of insurance loss in several individually small exposure losses. The fire was caused according to tentative conclusions by an inquiry board, by a number of boys shooting firecrackers near one of the buildings two days after July 4.

Problems of 3-Year Auto Policy

NEW YORK—Although it is possible that a three-year automobile policy may be brought out for use in connection with the New York premium discount plan, adoption of a three-year policy generally on regular automobile business is regarded as a considerable distance away. In the first place, the companies say that rates have not yet stabilized. Property damage experience is unsatisfactory and some rate increases are being planned in that category now.

Even after experience and rates level off in something like parallel lines, there will remain other problems. While a three-year policy would mean a saving on the expense side, if the term, as agents desire, involved 15 and 18 months, it would present a tough problem for coding and experience gathering. The companies now are some 18 months behind current experience, the best they can do with their present statistical procedures.

New Church Attorney-in-Fact

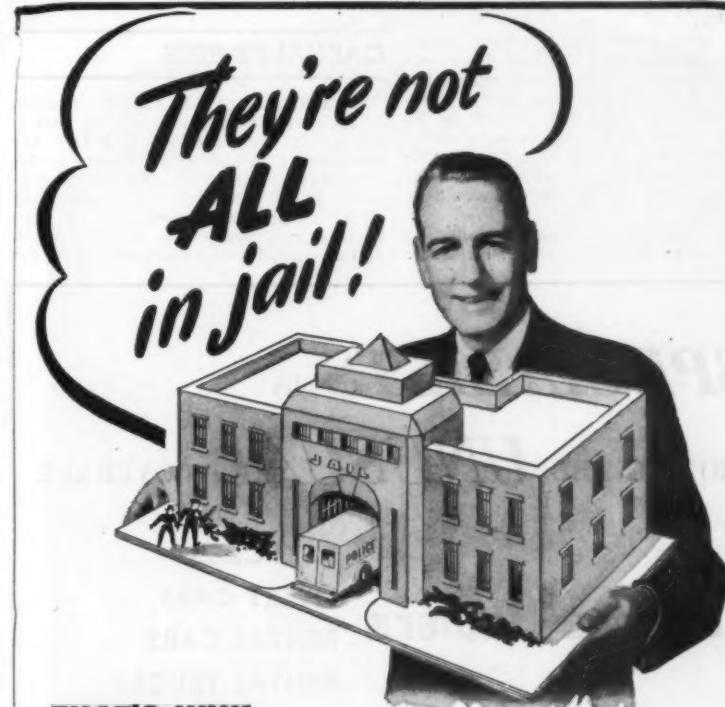
ST. LOUIS—The Rev. James J. Franey, who has been assistant executive secretary of St. Louis Archdiocesan Insurance Exchange, has been appointed to serve as attorney-in-fact for the exchange, which writes insurance on Catholic church properties.

Mary Donlon on European Trip

Mary Donlon, chairman of the New York workmen's compensation board, has left for Europe and a series of conferences on the administration of dis-

ability insurance programs. She will visit England, the Scandinavian countries, and the Netherlands. She plans to leave the plane at Shannon for a visit in Ireland with relatives and friends.

The engagement has been announced of Hathaway Clark Kemper, son of H. G. Kemper, president of Lumbermens Mutual Casualty, and Mrs. Kemper, to Carol Swope, daughter of Mr. and Mrs. Russell Swope of Evanston, Ill. Mr. Kemper is attending Cornell and Miss Swope is a graduate of Ogontz Junior College at Philadelphia.



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Uniform Accounting Influences

(CONTINUED FROM PAGE 2)

came to around 29% figured in relation to premiums. There was about a two point shift, caused by the fact that this company now assigns overhead to acquisition. That makes the difference.

Few fire companies apparently are having difficulty with regulation 30, now that it is in operation. There still lies ahead the first annual statement to be processed under the new system, but that has been planned and insurance people do not expect too much difficulty.

The chief trouble will come if states require companies to break down expenses by states. This would kill all the benefits that could possibly accrue from regulation 30, they say. There is no way to break down expenses by state. The business is acting in a rather arbitrary manner when it breaks down expenses by line, and by state it would be impossible.

Regulation 30 has made accounting work easier in some cases for some

companies. For example, companies that did not formerly use punch cards and that do now save money by eliminating posting expenses by line and group. One effect may have been to increase investment expense, although the actual money spent for such expense may not be up at all. This is because previously the company could use $\frac{1}{6}$ th of 1% as a formula for the investment expense, but now it is on a functional basis.

CASUALTY SIDE

On the casualty side, the classification of accounts under regulation 30, part 1, has given each accounting officer the opportunity to study the defects in his own system and make changes accordingly. It has provided management the figures that are prerequisite to controlling expenses on a realistic basis. It has caused every company, both fire

and casualty, to analyze and segregate claim expense for the first time. The casualty companies have been charging claim department expense to claims expense but in the fire field the charge has been made to general administration.

Since 1923 the casualty companies have segregated expenses by line of business, for the first 10 years without instruction. Then the so-called bureau companies got instructions from an industry committee. With the adoption of a countrywide expense exhibit about three years ago and instructions from the National Assn. of Insurance Commissioners, the casualty companies have been following a rather uniform method. The fire companies prior to regulation 30 were not required to do this except those entered in New York and they were without a uniform approach on how to break down such expenses. With the new expense exhibit for both kinds of companies, for the first time there will be available expenses by primary line of business based on a uniform method.

Salaries Big Single Item

These instructions accentuate the distribution of salaries, the largest single expense item, reasonably, logically. The formulae set up must be followed for expenses other than salaries. The companies can't use premium volume if there is any better base.

The regulation stresses the necessity of identifying expenses by function wherever incurred. To many companies this is a new approach. For example, many acquisition costs are incurred in the home office—policy writing, collection of premiums directly from producers, costs of the home office agency. On the other hand, many expenses that are not acquisition costs are incurred in field offices such as decentralized home office underwriting and administrative work.

The regulations definitely require earmarking of all expenses in relation to investments and reporting them as such. The old formula was $\frac{1}{6}$ th of 1% of mean invested assets, but some companies charged the formula plus all of the actual expenses, others $\frac{1}{6}$ th of 1%, and others this plus a part of the actual costs. This will have an interesting effect on investment expense showings of companies the first year.

On taxes, except federal income and real estate, the regulations are not too clear or acceptable to the industry in the groupings.

Joint Expenses

The regulations set out reasonable methods for apportioning joint expenses incurred by two or more companies under the same control. To justify the distribution, companies are required to maintain basic justifiable records underlying such distributions, which will be subject to examination.

Though the regulations apparently do not apply to companies doing a reinsurance business only or to companies writing only A. & H., these carriers probably will have to follow the intent of the regulations. They will be required to file an amended form annual statement and the new expense exhibit, which can only be made up by following the regulations.

The regulations are mandatory only on New York-entered insurers for 1949. This places non-New York-entered companies in the same position as A. & H. and reinsurers.

The casualty results for 1949 un-

doubtedly will show a better expense distribution by line because of use bases other than premiums and in each line a better distribution as between acquisition and general expenses of than claim, and investment.

As a result of the regulations, company statements will cite separately the first time acquisition costs on direct business. Previously commissions producers were included with commissions to reinsurers, commissions inter-company transactions and allowances for other services, such as claim work, etc.

Holiday Storm Loss in N.Y. Estimated at \$100,000

NEW YORK—Although the storm that struck sailing waters around New York City July 4 was unprecedented, the total damage apparently will be less than underwriters feared. An estimate by one surveyor who handles a good share of the yacht losses is about 100 claims of all kinds for an aggregate of about \$100,000. This would include the dozen or two total losses, sinking or constructive totals, and damage to sail, rigging, hulls, etc.

At first, the estimates were for total much higher than this. The storm was not only unusually severe, but came without warning. While experienced sailors saw a storm was brewing and took some precautions, they had no idea the blow would be of such proportions. Wind reached as high as 40 miles per hour. Also, coming as it did on a holiday, the storm found most of the area's sailing craft on the water.

Plaintiffs End Case in Texas City Disaster Suit

HOUSTON—Attorneys for the plaintiffs in the \$200 million Texas City explosion suits advised Judge T. Kennerly today that they will clean up the "odds and ends" in a day or two and that they will then be through. Assistant U. S. Attorney Joseph Cash said he did not know what action the government would take when the plaintiff rested, when asked if the government plans to offer a motion for dismissal.

Depositions by Adm. H. C. Sheppard, head of the maritime section of the coast guard, and Capt. Edward C. Cleary, head of the merchant vessel inspection division, were presented, intending to support the contention that the government failed to take proper safety measures and to warn of the dangerous characteristics of ammonium nitrate fertilizer.

The mass trial against the government was brought by survivors of the disaster at Texas City in April, 1947, when more than 500 persons were killed or missing after a series of explosions and fires.

New Booklet Tells Work, Benefits of Mo. Agents Assn.

ST. LOUIS—Missouri Assn. of Insurance Agents has published a pamphlet titled "Why I Am a Member of the Association." It tells the functions of the association on behalf of its members, and describes the association's public relations program, its educational program, its activities in obtaining beneficial legislation, and its research work. The booklet concludes with a series of questions testing the agent and his professional qualifications.

It is their duty to make decisions. When opportunity comes, respect to service from day to day to accommodate our injured or harassed service men. No service to the country is only ill will. "Boasts, intimidation, or never frightened result in his Where they lawyer, the calls in more sel. Don't Gloat."

"No good elements by gloating, litigation, or getting away with it should be encouraged that the facts on our side; they are valid. "Courtesy is long way to go. The battle should be continuous, tenacious, all too frequent litigants. We no reason why witnesses between the actual wage solely on the "We frequently refer to mobile rates as affording than earned by co-judgments, the insurance rates. These premium Insurance J."

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vention.

Tells How Lawyers Can Aid P.R. Cause

(CONTINUED FROM PAGE 22)

It is their duty to report on these situations so that home office counsel may make decisions with full knowledge.

"When opposing people who have had misfortune, we should be generous in respect to such matters as continuances from day to day, extensions of time and accommodations where no harm will result to our client, where the merits of the defense will not be affected, and the injured or his attorney desires a personal accommodation. Unnecessary harassment of unfortunate people does no service to one's client. It generates only ill will and bad public relations."

"Boasts, threats and attempts at intimidation should be avoided. They never frighten a competent lawyer. They result in his being the better prepared. Where they are made to an inexperienced lawyer, the result is frequently that he calls in more able and experienced counsele."

Don't Gloat Over Results

"No good will is gained for our clients by gloating over a good result in litigation, or by bragging that we got away with something. Good results should be explained only on the basis that the facts, law and justice were on our side; that justice, not injustice, prevailed."

"Courtesy and consideration will go a long way toward improving public relations. This does not mean that the battle should not be waged in a vigorous, tenacious manner. Witnesses have all too frequently been imposed upon by litigants. When a case is over, there is no reason why counsel cannot see that witnesses are paid the difference between the statutory witness fee and their actual wage loss, the payment being solely on that basis."

"We frequently hear complaints with reference to rates in general, and automobile rates in particular. These occasions afford us the opportunity of explaining that rates are inevitably governed by costs. We can point out that where juries bring in outrageous verdicts, the inevitable result is increased rates. These costs must be reflected in the premiums."

Insurance Judged As a Whole

"It is our duty to inform the public, to sell the public, on the business of our clients. The public relations of any company are bound up with those of others in the same business. The insurance fraternity is likely to be judged as a whole in the minds of the public. We meet with, talk to, and deal with policyholders, police, physicians, other lawyers, and the public in general."



Vestal Lemmon, manager of National Assn. of Independent Insurers, and Mrs. Lemmon, during boat trip from Seattle to Victoria which was part of N.A.I.C. convention.

"We can be of great assistance in public relations and still properly represent our clients. Courtesy, frankness and an extra effort to see that the policyholder, public, and when possible, even the claimant, understand the nature of the business and the good faith of and justification for the defense, will be of great assistance," he concluded.

Mich. Committee Tackles Negro Discrimination Issue

LANSING—A committee named by Gov. Williams to investigate alleged discrimination against Negroes by insurers is to be enlarged to include representatives of additional lines, it was decided at the group's initial meeting here Tuesday.

Designation of the committee followed charges during the recent legislative session that it was impossible for Negroes to obtain life or automobile coverages from many insurers. A resolution was offered to provide for a study of the situation.

Waldo O. Hildebrand, secretary of Michigan Assn. of Insurance Agents, suggested the expansion of the committee Tuesday and it was agreed to add three members representing fire, automobile and surety lines.

Committee members also decided to seek specific instances of alleged discrimination and to study the question from all angles. It was suggested that a questionnaire be framed to obtain data or that persons feeling themselves victims of discriminatory practices be invited to air their grievances before the committee.

George Schermer, Detroit, representing the Michigan civil rights committee, was designated committee chairman. Other present members, in addition to Hildebrand, are: Commissioner Forbes of Michigan; John Dancy, Detroit Urban League president; Charles H. Mahoney, president Great Lakes Mutual Life, Detroit; Floyd H. Skinner, Grand Rapids attorney; John Panchuk, general counsel Federal Life & Casualty, Detroit.

L. G. Colby Leaves Field for Cal. Local Agency

Lewis J. Colby has resigned as special agent for Fireman's Fund Group at Spokane, since he has acquired an interest in the W. J. Martin agency at Sonoma, Cal. He went to Spokane from San Francisco in 1936 after having traveled for Fireman's Fund in California, Oregon and Western Washington, as an inspector. Prior to that time, he was a local agent at Phoenix and also served as special agent in California for Commercial Union. His early training was with Illinois Inspection Bureau. He is a past president of Inland Empire Fire Underwriters Assn. and a past most loyal gander of the Washington Blue Goose.

W. J. Martin was also a former Spokane resident.

Fete Conway at Milwaukee

George F. Conway, manager at Milwaukee for Fidelity & Casualty, was guest of honor at a dinner marking his 25th anniversary as head of the office. Associates presented him with a number of gifts to mark the occasion. Donald Norton, agency supervisor, was toastmaster. Mr. Conway started with the company as an office boy 40 years ago.

Speight Now Secretary

Marshall C. Speight has been elected secretary of the Virginia F. & M., to fill the position occupied by H. C. Pilot who resigned to join Royal-Liverpool as agency secretary in the southern department. Mr. Speight has been with Virginia F. & M. since 1944. Lately he has been assistant secretary. Before that he was state agent for Globe & Rutgers in Virginia and West Virginia and earlier was state agent in Virginia for London & Lancashire.

Myers Replaces Dame in Ill. for Crum & Forster

Ralph C. Myers has been named state agent in Illinois for Crum & Forster to succeed Donald K. Dame, who has resigned to enter the local agency business.

Mr. Myers has been state agent in Nebraska, but before going to that state was special agent in Illinois under Mr. Dame. He is a graduate of Butler University and started in the business with the Hardware Mutuals. He began with Crum & Forster in the Indiana field.

His headquarters will be in the Citizens building, Decatur.

Mr. Dame has taken on an interest in the Bennett & Shade agency at Decatur, which represents Crum & Forster. Mr. Dame was for a number of years an underwriter in the western department of American at Freeport. He joined Crum & Forster in 1939.

Bob Sheffield has joined the Don York agency at Wichita as a partner with the name changed to York-Sheffield.



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against power-equipment failure

Some of your clients may own a factory, a laundry, a dairy, or a hotel. Often they trust to "fisherman's luck"—take out boiler insurance and neglect to cover their engines, compressors or electrical units. Yet accidents to power machinery equipment cost owners millions of dollars annually—in property damage and in business interruptions.

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You'll feel better if they're completely covered.



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FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

SURETY

Surety Charges Fraud in Dressing Up Bond Applicant

Eagle Indemnity has brought a suit at Danville, Ill., against the president of Citizens National Bank of Albion, Ill., and three others, charging conspiracy to defraud. A. B. Gill is the bank president. Eagle alleges that a construction firm in which W. J. Howe, one of the defendants, was a partner, was awarded a contract by the town of Grayville to put up a sewage disposal plant and that Eagle Indemnity had a contract bond of \$63,884 on the job. Eagle Indemnity alleges there was a false representation of assets of the construction company and that Mr. Gill, Dr. L. E. Medoff of Grayville and Louis Fieber of Albion, deposited \$14,000 to Mr. Howe's account while his assets were being investigated for Eagle Indemnity and that this amount was withdrawn immediately after the bond was arranged. The construction company defaulted on the contract and the cost to Eagle for completion was \$30,000.

Milwaukee Host to Chicago Surety Group for Golf

MILWAUKEE—Members of Surety Underwriters Assn. of Chicago were guests of the Milwaukee group at its annual golf outing at North Shore Country Club north of Milwaukee, July 8. B. J. Nietschmann, National Surety, headed the Chicago delegation. Thomas F. Graham, Fidelity & Casualty, Milwaukee president, welcomed the visitors and guests, including John R. Lange, Wisconsin insurance commissioner, and Lloyd F. Yaudes, chief casualty actuary. Arrangements were in charge of Hughes McCoy, New Amsterdam Casualty, chairman; Thomas C. McLaughlin, Massachusetts Bonding; A. J. Goddard, Aetna Casualty, and Stanley Webb, Fidelity & Deposit. A return match will be placed at Chicago in September. Low gross winners were Joseph Johnson, Aetna Casualty, for Chicago, with John O'Connor, of Leedom, O'Connor & Noyes, and Sam Trull, Aetna Casualty, tied for Milwaukee.

Big Los Angeles Bond

LOS ANGELES—Kemper Construction Co. has been awarded the contract by the Los Angeles city water and power commission for the construction of drains, spillways, inlet and outlet tunnels, roadways and fencing at the Baldwin Hills reservoir, at the price of \$4½ million. U. S. F. & G. is on the payment and performance bond.

Maryland on VA Hospital Bond

Del E. Webb Construction Co., Phoenix, has been awarded the contract by

the U. S. Engineers for construction of a 200 bed general hospital for the veterans administration, at Phoenix at its price of \$3,467,000. Maryland Casualty will execute the payment and performance bond.

Anderson L. A. Speaker

LOS ANGELES—Elmer Anderson, assistant secretary of Surety Assn. of America, was the speaker before a luncheon meeting of Surety Underwriters Assn. of Southern California on "Surety Rate Making."

Commissioner Downey, Joseph D. Thomas, assistant to the chief of the compliance and legal division of the department, and Norman Rosenberg, supervising rating analyst in the department, were among the guests.

CHANGES

Indianapolis Services of North America Expanded

Indemnity of North America has expanded operations of its Indianapolis service office and will provide full underwriting, policywriting and other recording services.

Carl Bloomer, who has represented Indemnity as special agent for many years, has been named manager for business throughout the state.

Delmas to Home Office

LOS ANGELES—A. C. Delmas, who has been superintendent of the bonding department at the Los Angeles branch of Pacific Employers, has been appointed assistant manager of the home office bonding department.

Robert C. Sellers, who has been with Rathbone, King & Seeley, succeeds Mr. Delmas in the branch.

Johns Resigns at L. A.

LOS ANGELES—H. V. D. Johns, associate manager here of U. S. F. & G., has resigned, and it is understood he plans to enter the production end of the business.

Gilmore Ky. Special Agent

American Casualty has appointed Charles R. Gilmore special agent in Kentucky, operating from the Nashville office. Mr. Gilmore will reside at Saint Matthews, Ky.

Selva with Dayton Law Firm

W. H. Selva, who has been litigation counsel for Buckeye Union, has joined the law firm of Pickrel, Schaeffer & Ebeling of Dayton, where he will be trial counsel.

Before going with Buckeye Union, Mr. Selva had been associated with the late W. E. Benoy, prominent Columbus

insurance attorney. Admitted to the bar of Ohio in 1929, Mr. Selva was with Globe Indemnity in Cincinnati and later with Employers Liability in St. Louis.

Kemper Promotes Platt in East

Blaine Platt, formerly personnel manager at Philadelphia for Lumbermens Mutual Casualty, has been named personnel manager of the eastern department, which includes the area from New York to North Carolina. Lois C. Horton, formerly personnel assistant, has been appointed supervisor at Philadelphia.

Harlan Ray, Dallas oil man and financier, has been elected to the board of Southwestern Fire & Casualty.

Burrer Heads Cincinnati Casualty Managers' Group

G. J. Burrer, manager of Travelers, was elected president of Assn. of Casualty & Surety Managers of Cincinnati at the annual meeting. He succeeds W. E. Shaw, manager Fidelity & Deposit.

Stamping Is Discontinued

Stamping of automobile and casualty dailies by Oregon Casualty Assn. has been discontinued. The office administers the Oregon automobile assigned risk plan and operates an impairment bureau, which services are being continued.

Premium Calculator

FOR RESIDENCE AND OUTSIDE THEFT

—Revised Edition



To Insurance Men and Women:

We have just published a revised and improved edition of our copyrighted Residence and Outside Theft premium calculator, which we first designed in 1945. It provides a simple method of making over 1,600 separate calculations with only one adjustment of the slide rule. All rating territories in 25 states are covered.

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Taking their ease on grounds of Empress hotel, Victoria, following commissioners' convention at Seattle: Arthur Bohlinger, New York deputy superintendent; Joseph Froggatt, Jr. of Joseph Froggatt & Co., and Arthur L. Bailey, chief casualty actuary New York department. Shelby Cullom Davis, New York insurance stock specialist, Mrs. Davis, and their children Dianne and Shelby.

Keats New M.L.G. of Ill. Blue Goose

Alvin G. Keats, North America, was elected most loyal gander of Illinois Blue Goose at the annual meeting last week at the Westward Ho Country Club, Elmhurst.

Other new pond officers are: Supervisor, Carl B. Temme, St. Paul F. & M., custodian, Elmer C. Donnelly, Security of New Haven; guardian, Lloyd J. Eppler, Loyalty group; keeper, A. J. Meyer, Automobile, and wielder, John C. Burridge, THE NATIONAL UNDERWRITER.

Mr. Keats and W. C. Jordan, Illinois Inspection Bureau, were named delegates to the grand nest convention, with Eugene Wild, Millers National, as alternate.

Harry J. Conklin, Loyalty group, read the nominating committee's report

and the new officers were installed by E. M. Eichenberger, Royal, a P.M.L.G. Retiring M.L.G. Edgar H. Miller, North British, was presented a P.M.L.G. pin by P.M.L.G. Don C. Campbell, America Fore.

The business session followed an afternoon of golf and a dinner attended by 62 ganders. Golf honors went to Harold Wangerow, Western Adjustment, who will represent the Chicago contingent in the Pond playoff in the fall.

NEWS BRIEFS

Jack Atkison, A. W. Anderson and T. J. Neukomm, local agents, have been named by the mayor of Fulton, Mo., to conduct a survey of the city's insurance.

Edward L. Mueller has been made manager of the claim department at New York for Standard Accident. He has been Philadelphia manager.

Southern States Indemnity of Miami has been voluntarily liquidated.

Damon Null has acquired the interest of N. W. Welsh in the Clinton agency, Festus, Mo., and now is the sole owner.

Joseph A. Leslie, local agent, has been elected president of Sikeston, Mo., Lions Club and also secretary of Sikeston Aero Club.

Mass State Fund TDB Bill Voted Down

At 1 A.M. Wednesday morning the Massachusetts legislature voted down by a vote of 110 to 107 the monopolistic state disability benefits fund measure, but at the same time decided to vote again Wednesday afternoon with the measure's success still in doubt. Apparently there were enough votes to pass a disability benefits bill but some legislators were in doubt as to whether they wanted a state fund to handle the program.

Marks 25 American Surety Years

Richard T. Wood, manager of the fidelity department of American Surety, completed his 25th year with the group on July 1.

Mr. Wood began as an underwriter. He was appointed manager of the basket bond division in 1925, and in 1934 became manager of the fidelity department.

John C. Potts now operates the Potts Insurance Agency in the Kahn building, Sedalia, Mo. He returned recently from a home office training course conducted by Hartford Fire.

Ivan Boylan, for many years with the Haskett & Jones agency, Rochester, Ind., has bought the Berger agency, Akron, Ind., from Mrs. Marie Wilson.

Safe at Home



is a welcome sound in baseball, but this statement is hardly true in every-day life. Instead of being a haven of safety, more accidents occur in the home than anywhere else. More than $\frac{1}{2}$ of all the accidental deaths were in homes last year, and each year 5,000,000 accidents take place in homes. The percentage of people carrying personal accident policies is small. You are missing a bet if you don't tell them about the ultra-modern policies issued by the Phoenix-London Group.

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Pa. Rate Battle Continues to Rage

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lone said he thought the committee companies had stated they were injured and aggrieved. He did not comment on the other issues raised, but on two occasions remarked that the Pennsylvania law is peculiarly worded so that companies could not protest the North America filing till after it was "in effect". He thinks this is wrong, that the companies protesting should have had the right to appear at the original hearing. Now it is necessary to start all over.

The committee's application charges that the deviation does not meet the requirements of the rating law. Reasonableness of rates is determined by the total of the general experience and average of costs plus a reasonable underwriting profit. A deviation can't be made on expense experience alone, and certainly not on an anticipated drop in one element of expense. To do so would lead to inadequate and unfairly discriminatory rates which soon would impair the solvency of relatively small fire insurers.

The North America deviation is based only upon a promise to reduce commission cost, according to the committee. This promise a company may not be able to fulfill because commission rates are competitive and depend on the cost of operating an agency, which is historically higher in excepted territories such as Philadelphia, Philadelphia suburban and Allegheny county, than in ordinary territory.

Unfair Competitive Advantage

The committee also pointed out that the rate of commission depends on average premium size, and that a reduction in commission rates by one company frequently is attended by a higher loss ratio to that company. Also, other insurers are bound to follow the rating organization rates, giving North America an improper and unfair competitive advantage.

The committee also argued that in limiting the deviation to certain territories, certain areas within rating zones and to certain selected classes, North America is being unfairly discriminatory. The arbitrary selection of classes violates the law because loss experience should be considered only on the basis of the general average experience, and loss experience is not constant—it may be relatively low this year and high next year.

The public is best protected by a system of rates which assures stability and solvency of insurers and does not create unfair and discriminatory practices. In the short time the deviation has been in effect, deterioration has set in and demoralization is inevitable, the complaint charged. Irreparable injury already has been sustained by fire insurers.

Reiterates Suspension Request

The position of the 126 companies was, according to Abraham Kaplan of Powers, Kaplan & Berger, New York attorneys for the committee, that the data called for in the subpoena should have been made available in the original application by North America for a deviation. He argued against adjournment of the hearing unless Mr. Malone suspended the deviation, under section 16.

These companies, he asserted, are suffering much greater damage than the small inconvenience to North America that would result from suspension. When section 16 says the commissioner "may" suspend a filing, it means "must", Mr. Kaplan argued; this has been repeatedly held in connection with legislative language. The commissioner has no discretion, administratively. The companies are without remedy, until the hearing is completed, unless the deviation is suspended. Mr. Malone asked for and Mr. Kaplan supplied some Pennsylvania cases on "may" and "must."

In spite of the drag of the preliminary

skirmishing—the hearing went into a night session and held over a second day—this first test of deviation under a modern rate regulatory act attracted 75 observers, many of executive caliber. At least half stayed on to the end. Substantially the same deviation law applies to the casualty business in the Pennsylvania law, and there were several casualty men among the watchers. It was apparent that committee companies intend to test conclusively how easy—or hard—it is to deviate, if it takes a long time, and undoubtedly it will.

Not Aggrieved Persons

Arthur H. Hull of Hull, Leiby & Metzger, Harrisburg, attorney for North America, reiterated that the companies are not aggrieved persons; they are not without remedy—if they can establish their right to injunction. The data called for allowed too short a time and was not relevant.

Asked by Mr. Malone how the companies were aggrieved, Mr. Kaplan cited the testimony of Abe Blumenthal, Pittsburgh agent, who said that he had had about 20 requests from insured to shift policies from other companies to North America on classes affected by the deviation.

Mr. Malone wondered if this were the first time Mr. Kaplan had ever heard of business shifting from one company to another in an agency because of a lower rate. Members of the Middle Department Assn. of Fire Underwriters are bound by its rates, Mr. Kaplan replied. North America has a competitive advantage, he said. Other companies have filed for a like deviation because they are at a serious competitive disadvantage.

STANDARDS

Doesn't any company have the right to file a deviation? Mr. Malone asked. Yes, Mr. Kaplan replied, if it meets certain standards which have not been met here. No one company's experience exactly matches the average, so that any one company of 200 could justify a deviation, immediately when rates based on averages are filed. That company wouldn't have to argue that it was going to save some expense in the future, but could use its actual experience. Then there would be no rating structure, the cement would be out of it. Expenses vary because experience is dealt with on a percentage basis and not as a dollar figure. Expenses are tabulated over all classes, and the acquisition cost on fire is higher than on wet marine, say.

"All I get is the impression that these companies are determined to do exactly what public law 15 was passed to prevent," interjected Mr. Hull.

Before Rate Regulation

"If we didn't have rate regulation what would maintain the rate structure, what would supply the cement; and what did before rate regulation?", Mr. Malone wanted to know. He called Carlyle Hill, manager of the Middle Department association, and asked if there were deviations under the old law. No, Mr. Hill replied.

Today there are 41 companies that deviate, but their deviations were in effect at the time the new rate regulatory law became effective. Mr. Malone asked Mr. Hill whether these deviations pose a competitive problem. Mr. Hill could not answer that. Then at Mr. Hull's suggestion, Mr. Hill read the entire list of present deviators together with the classes on which they deviate and the percentages by which they deviate. All but one of the companies deviating are mutuals. Mr. Malone pointed out that most of them are small companies. Mr. Kaplan said that some of the mutuals are contained in the list of complainants, they are committee companies.

Mr. Kaplan defended the right of the

companies to function through a committee. That is a traditional method; that is the way they functioned in the District of Columbia rate case; there is no other practical way they can function.

At one point Mr. Malone commented that he as commissioner has no control over commissions, that he does not have because the agents did not want him to have. Mr. Kaplan rejoined that the North America deviation attempts to do what Mr. Malone said was impossible; that is, give the commissioner the right to control commissions by direction, to authorize a deviation based on commission reduction.

1948, in Pittsburgh, agents were paid 20, 25, and 30% with a 5% contingent. There were two contingents of 5% and 7½%, one on the reserve basis and the other on the annual basis. After Jan. 1, 1948, a contract agency form was offered certain agents. This called for 25% flat plus a 10% contingent accompanied by a guarantee of a certain volume, 60% of which would be on the following classes: Residential, mercantile, office and bank, warehouse and storage, and public utility. The minimum amount might be \$15,000 in fire premiums and the maximum \$30,000, Mr. Snelsire said.

Correspondence of Classes

These classes correspond pretty closely with the classes on which the deviation was asked. Mr. Kaplan queried Mr. Snelsire. He also asked if prior to Jan. 1, 1948, the company ever had asked for a guaranteed amount of preferred classes. Mr. Snelsire said no but the company watched for a balanced book of business.

"What are you trying to prove?", Mr. Malone asked. Mr. Kaplan said that North America was not paying 20% commission but more and that actually there was no dollar saving on the classes covered in the deviation. The graded 15-25% arrangement gave the agent 25% on public buildings protected, 25% on churches and chapels that carried coinsurance, 25% on protected residential, 25% on some and 15% on other

AGENCY CONTRACTS

Charles M. Snelsire, assistant manager for North America at Pittsburgh, testified as to forms of agency contracts in Allegheny county in 1947-48-49. Mr. Kaplan was trying to show that the commission rate paid by North America in Allegheny county was not the commission North America set out in its application for a deviation but a higher one, that experience in the territory is different from that set out in the application for deviation. Pittsburgh was an excepted territory and commissions there were higher than in ordinary territory. Agents in ordinary territory were paid a flat 20% or a graded commission of 15 to 25%. Prior to Jan. 1,

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mercantiles, and 15 and 25% on manufacturing. There was no contingent.

Mr. Snelsire said that there were 150 agents under his jurisdiction and that about 15 signed the contract.

Mr. Kaplan asked whether 1948 produced less volume than 1947, contending that possibly the reduction in commission and volume would increase expense and not lower it.

Subject to H. O. Approval

After the agent elected the 20% deal or the 15-25, the arrangement still was subject to home office approval, Mr. Hull asked Mr. Snelsire on cross examination. He replied, yes. Mr. Kaplan got Mr. Snelsire to agree that the agent became a contract agent only if he signed the stipulation as to minimum volume and preferred classes.

In questioning R. G. Osgood, vice-president of North America, Mr. Kaplan asked if the offering of the 25 plus 10 contract wouldn't increase the average commission paid in ordinary territory. Mr. Osgood said no because the agent assumed some services and the commission difference would wash out. Are the classes called for by the contract those that were included in the deviation? Mr. Kaplan asked. Mr. Osgood declared that this seeming agreement between the classes in the deviation and in the contract was coincidental and not planned. He testified that the company keeps a breakdown of expenses by service office and territory but no breakdown that would show expenses for Pittsburgh, Philadelphia or Philadelphia suburban.

1947-48 Premium Record

Questioning brought out that North America premiums in Philadelphia in 1947 were \$1,706,000, in 1948 were \$1,674,000; in Philadelphia suburban, 1947 \$1,675,000 and 1948 \$1,582,000; in Alleghany county in 1947 \$541,000 and in 1948 \$370,400; in the remainder of the state, in 1947 \$2,025,000 and in 1948 \$2,200,000, grand total \$5,949,000 in 1947 and \$5,834,000 in 1948.

At another point Mr. Kaplan raised the question of entertainment of agents, and Mr. Osgood tartly rejoined that contract agents are expected to be sufficient and they should buy their own liquor.

It was when Bradford Smith, Jr., vice-president of North America, took the stand, that the interchange on the data called for in the subpoena made on North America by the 126 companies came to a head. This subpoena asked, among other things, for premiums written in Pennsylvania for each of the five years ending in 1948, expenses ditto, segregation of expenses, figures by class, figures on classes in the deviation, commissions on the deviated classes, agents covered by the deviation, the basis of comparison for agents for three years 1947-48-49, forms of agency contracts, statistical records showing experience in deviated classes in deviated territory and not in deviated territory, comparison of experience on deviated classes and non-deviated classes, especially non-manufacturing; credibility of premiums and losses in the deviation. Mr. Hull strenuously objected to the relevancy of much of this but Mr. Malone overruled and called for its production.

Commission Data

Mr. Kaplan put in the 1948 annual report of the New York insurance depart-

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Special Agent—experienced automobile and casualty man. Some fire insurance experience will be helpful. An ideal opportunity for an aggressive man with ambition. Salary, car and expenses furnished. Address V-20, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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ment which shows a projection of commissions for each company operating in New York. Mr. Hull objected, stating that the question of expense enters the matter only to the extent of reduction in deviated territory. Mr. Malone wondered if Mr. Kaplan wanted to put in the whole book, and Mr. Kaplan replied no just that part dealing with expenses. He said that companies with lower than average commission may have higher than average expense, overall. Mr. Malone commented that by the same token they could have a lower expense ratio.

Thomas Breslin, president of the Philadelphia Agents & Brokers Assn. had been subpoenaed to appear, so that Mr. Kaplan could put in the record the resolution of that group adopted on North America's deviation earlier in the year, but Mr. Breslin had gone by the time counsel got around to it late in the evening. C. Sheldon Stover of Paul Hertel & Co., Philadelphia, appeared briefly on the stand. After being asked only a couple of questions, he rushed away to catch a train, declaring that he "always was lucky".

A. W. Shaw, McKees Rock, near Pittsburgh, president of the Pittsburgh Agents Assn., read into the record a resolution by that group. In substance it stated that the deviation is inconsistent with the rating act and that it would result in great injury to members of the association, particularly smaller agents who handle dwelling and other small business. It would mean such agents cannot render as much policyholder service. The statement also said that the agents are 100% for reduction in rates to policyholders—through properly constituted machinery.

Off Record Comments

Off the record, Mr. Malone said that he was rather astounded that no one opposes a reduction in rates to the public, but that so many oppose this particular reduction. Mr. Shaw said that it was likely to lead to a commission war and to instability. Over objection of North America, the resolution was permitted to go in the record by Mr. Malone.

Mr. Kaplan also made a statement at this point, off the record. He asserted that "our companies are just as much for a reduction to the public as North America," but North America's deviation would take the cement out of any rate level and lead to a rate war. There is a difference between proper rates and cheap rates, he said. The public suffers from cheap rates. One duty of the commissioner is to see that the solvency of the industry is maintained.

"I don't like the idea of so many people saying that they are for a reduction and opposing this one," Mr. Malone retorted. "I can see no danger of a rate war or insurer insolvency."

George Hafer of Mr. Hull's law firm was of counsel. He has resigned as counsel for the Pennsylvania Assn. of Insurance Agents coincident with his firm's representation of North America in the present case. John A. Skelton, counsel for the department, and Ralph Alexander, deputy, sat in on the hearing. John Bain of Pittsburgh was of counsel with Senator Kaplan. Mr. Herd was on hand throughout the sessions, as were some of the other members of the committee. John R. Barry, president of Corroon & Reynolds, came in for part of the sessions. The committee consists of Mr. Herd, Walter Falk of Royal-Liverpool; J. H. Hooker, Automobile; Alex Ross, Crum & Forster, A. W. Tyrol, Hartford Fire; Robert F. Miller, National Union, and R. T. Stewart, North British.

Wis. Mutuals Merged

Herman Mutual of Iron Ridge, Wis., has taken over the assets of Herman Mutual Farm Underwriters in a merger approved by the Wisconsin department. Herman Mutual was organized in 1856, and the Farm Underwriters in 1929. Present state laws permit mutuals to write insurance by classes in one company, making the operation of two separate companies unnecessary. Under the merger Herman Mutual will con-

tinue to write the regular town risks and also farm properties. The combined insurance in force is \$101,232,517. Albert Zastrow is president; Arnold Wilbrecht, vice-president; Julius C. Schulz, secretary, and Fred E. Stucke, treasurer. The home office building at Iron Ridge will be replaced with a new fireproof structure.

Chicago Parley Is Set on All Risk Building Contract

The committee of National Assn. of Mutual Insurance Agents that is undertaking to develop an all risk type of building insurance contract and a market for it, is holding a conference at Chicago July 26-27. A number of leaders in mutual company ranks have been invited to attend as individuals and their advice and counsel will be sought. The company people have not organized a committee for this purpose, however. Chairman of the agents' committee is Ben Sager of Central Mutual Agency of Cleveland, who is immediate past president of N.A.M.I.A.

The agents' committee sometime ago questionnaire the various insurance departments as to whether a policy of this type would comport with the legal and other requirements of the state, and replies were received from 17 commissioners indicating that such a contract could probably pass muster. Besides fire and extended coverage, main hazards that would probably be embraced in an all risk contract would be flood, earthquake and theft. At least on the flood and earthquake hazards, the companies would probably insist on a substantial deductible. Also the companies would want to make sure that settling of the building would be excluded.

John Dunn Denies Liquor and Insurance Charges

HARTFORD—John T. Dunn, Jr., of West Hartford, suspended chairman of the state liquor control commission, took the stand in his own defense and denied all the charges that have been brought against him by Gov. Bowles. Among these was that he had used his office as liquor commissioner to further his private insurance business.

Mr. Dunn said he had never been influenced in his official acts by permittees to whom he sold insurance. Mr. Dunn, who now faces removal from office if any of the charges are sustained, revealed that he had talked to former Gov. Shannon a year ago about rumors linking his office with his insurance business. Mr. Shannon, he reported, dismissed the reports as of no importance. Mr. Dunn recounted the conversation between them at some length.

Mr. Dunn said he had never let his official judgment be affected by any business dealings with permittees. "I always felt I was a liquor commissioner first, and business was secondary," he said.

Watch Insurance Bills in Ohio as Adjournment Nears

COLUMBUS—The Ohio legislature has tentatively set July 29 as the day for final adjournment. Whether the legislature can finish all its work by this time is still a question.

The house has passed a bill prohibiting coercive practices in the sale of insurance. The senate insurance committee has recommended for passage the unauthorized insurers process act, and has recommended the house bill providing that life companies may not pay a commission to an unlicensed agent.

The senate insurance committee has also recommended a bill providing that a life agent may not write insurance in an unauthorized company. The senate judiciary committee killed a bill allowing deposit of securities in lieu of a bond.

The multiple line bill is still in the senate rules committee, but it may come out this week.

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THE WIND SHIFTS IN

Capetown...



**... AND
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TOUCH**

Detroit!!



A wisp of smoke in Capetown, South Africa . . . A shifting wind—then a raging inferno that crackles and roars its way through a warehouse, swallowing it and the contents in towering tongues of flame!

The flames touch Detroit, for a Detroit firm owns the warehouse and stock.

But the Detroit firm is in no jeopardy—for its officials foresightedly insured their foreign interests under *one contract, right in Detroit*, through their local insurance agent! . . . The cable that told of the loss started their claim toward settlement. . . .

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American Foreign Insurance Association protection is solid and enduring. It is backed by the strength and resources of its 25 great member companies.

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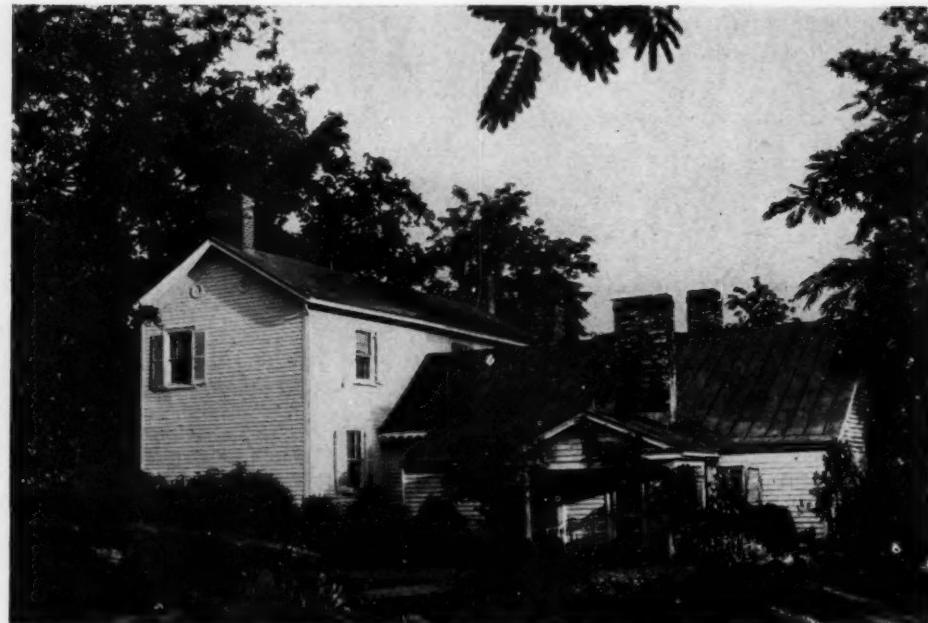


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ASH LAWN

"Cabin-castle of the Fifth President"



From this home, two miles distant from Monticello, Monroe used to signal to his friend Thomas Jefferson

WITH a gun slung over his shoulder young James Monroe trudged several miles to school each day through the Virginia forests. His companion was John Marshall who years later as Chief Justice was to administer the oath of office when Monroe became President. In 1774 at the age of sixteen Monroe left his native Westmoreland County to enter the College of William and Mary. Little is known of his life there except that he was one of eight who signed a petition charging that the "Mistress of the College" served the students "scarce and intolerable food" while providing her brother with delicacies.

But the nation's struggle for liberty soon blotted out such trivial concerns, and at eighteen as lieutenant in a Virginia regiment Monroe joined Washington's forces in New York. He fought at Harlem and White Plains, was among the first troops to cross the Delaware and was wounded at Trenton. During the battle of Monmouth he acted as a scout for Washington who later wrote of the young Virginian, "He has in

every instance maintained the reputation of a brave, active and sensible officer."

When Monroe married the beautiful and aristocratic Elizabeth Kortright, her friends "twitted her with the amiable reflection that she was expected to have done better." Not only was the marriage unusually happy, however, but the "not particularly attractive" Virginia Congressman served three terms as Governor of Virginia, became U. S. Senator, minister to France and to England, Secretary of State, Secretary of War, and was twice elected President.

While a law student, Monroe formed a close friendship with Thomas Jefferson which prompted his acquiring Ash Lawn, a plantation near Monticello, the latter's home, and there he built his "cabin-castle." This one-and-a-half story frame house was completed about 1798 under Jefferson's supervision while Monroe was in France. The gardens of Versailles are believed to have inspired the beautiful boxwood garden which Monroe planted. The twenty-six years he spent at Ash Lawn were the hap-

piest of his career but his election to the Presidency obliged him to leave.

As his years of service to his country left him in straitened circumstances, Monroe was obliged to sell Ash Lawn in

1825. His last days were spent with his daughter in New York where he was a familiar figure in his black velvet knee breeches and buckled shoes.

Considerably enlarged by a subsequent owner, Ash Lawn was restored and opened to the public on Monroe's birthday, April 28, 1930.



Nursery in the happy home



View of his daughter's room

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